HM Revenue & Customs Charter

3 February 2009
Subject of this consultation: HMRC draft Charter. HMRC consulted on the scope of the Charter in June 2008 and published the formal response to the participants in November 2008. This is the next step in the process of developing the Charter.

Scope of this consultation: This document contains the proposed Charter from HMRC and seeks views on its contents

Impact Assessment: An Impact Assessment is published alongside this consultation document

Who should read this: Everyone who deals with HMRC and/or their representatives

Duration: Tuesday 3 February to end on Tuesday 12 May 2009

Enquiries: HMRC Charter Team on 020 7147 2365

How to respond:
- online at: http://charterconsultation hmrc.gov.uk
- by email to: charter.consultation@hmrc.gsi.gov.uk
- by post to: HMRC Charter Team, Room 3E/02, 100 Parliament Street, London SW1A 2BQ, or
- by fax to: 020 7147 0391.

Additional ways to become involved: There will be a Braille, large print, audio CD version of this document and a DVD in British Sign Language. The document is also available in the Welsh language. There is an ‘e’ consultation published at http://charterconsultation hmrc.gov.uk for those who wish to respond online.

After the consultation:
- Use the responses to design the final Charter.
- We will apply for the Plain English Crystal Mark on the final Charter.
- Test the Charter with staff, stakeholders and customers prior to launch.
- Finalise the plan for the formal Charter launch
- Publish the Charter in appropriate formats.

Getting to this stage: HMRC has analysed the responses to the previous consultation on scope and held a deliberative event with customers, representative bodies and staff to design the draft Charter.

Previous engagement: HMRC undertook an extensive engagement process using workshops, discussion groups and also providing an opportunity for stakeholders to provide written comments. The formal consultation attracted forty two written responses from representative bodies, businesses and individuals and closed on 11 September 2008.
## Contents

Executive summary ........................................... ii

### Chapter

1. Introduction .............................................. 1
   How to comment ......................................... 2
   Confidentiality ........................................... 2

2. A draft Charter for HMRC ............................... 3
   Questions ................................................ 4

3. Key components of a Charter ........................... 5
   Questions ................................................ 6

4. Next steps .................................................. 7
   Questions .................................................. 7

Appendix A: Summary of consultation questions ........ 8

Appendix B: Draft Charter components .................. 9
   Impact Assessment ....................................... 9

Appendix C: The Government’s Consultation Code of Practice 10
Executive summary

In the 2008 Budget, the Government reaffirmed that a tax Charter could play an important role in ensuring that the tax system is understandable and accessible to all taxpayers. In June 2008 HM Revenue & Customs (HMRC) published a formal consultation document on the scope of a Charter and invited views on what a Charter should cover.

An overwhelming majority of respondents to that consultation suggested that a Charter should be a single document rather than several, covering HMRC’s high level values and principles and what we expect from our customers.

One of the clear messages from the direct engagement events we held was that a Charter should contain four component elements: an overarching statement, what you can expect from HMRC, what HMRC expects from you and accessing HMRC information.

We have produced a draft Charter based on your views and contributions to the first consultation. This consultation focuses on the draft and seeks your views on how it meets your needs.

This consultation will run until Tuesday 12 May 2009.
1.1 The initial consultation on the scope of a Charter published in June 2008 included questions on what a Charter should cover: the values of HMRC, customer rights, customer responsibilities and/or standards of service. The document also included questions on whether HMRC should have one or several charters and what the document should be called.

1.2 HMRC undertook an extensive engagement process using workshops, discussion groups and also providing an opportunity for stakeholders to provide written comments. The formal consultation attracted forty two written responses from representative bodies, businesses and individuals and closed on 11 September 2008.

1.4 HMRC published its formal response to this first round of consultation at Pre-Budget Report on 24 November 2008 and promised to launch a formal consultation on the content of a Charter. You can find the published response to the first consultation at: www.hmrc.gov.uk/consultations/index.htm

1.5 In response to the first consultation, respondents demonstrated substantial backing for the idea of a Charter. In summary:

- A Charter should have explicit legislative authority. The Government intend that a short clause in the Finance Bill 2009 will provide this.
- A single Charter would be preferable to different charters for different customer groups.
- A Charter must be short, simple to understand and easily accessible.
- A Charter should be a high-level document, setting out principles but linking to more detailed standards of service.
- A Charter should cover customer rights and obligations but they must not be mutually dependent.
- A Charter should clearly signpost the complaints process.

1.6 We propose a Charter which sets out:

- An overarching statement to explain the role of HMRC and to give context.
- What customers can expect from HMRC.
- What the role of customers should be.
- The standards to which HMRC works and what customers can do if things go wrong.

1.7 The next chapter sets out our proposal for the draft Charter, reflecting our considered response to the views we received in the consultation. Subsequent chapters explain the key themes and the reasons behind our proposal.
How to comment

1.8 The questions on which this consultation is focused are summarised in Annex A. However, we welcome comments on any aspect of this consultation document. You should send in your comments by 12 May 2009 and they should be sent:

- online at: http://charterconsultation.hmrc.gov.uk
- by email to: charter.consultation@hmrc.gsi.gov.uk
- by post to: HMRC Charter Team, Room 3E/02, 100 Parliament Street, London SW1A 2BQ, or
- by fax to: 020 7147 0391.

1.9 This document can also be accessed from the HMRC Internet site: www.hmrc.gov.uk/consultations/index.htm

1.10 The Charter Team can be contacted by telephone on 020 7147 2365.

Confidentiality

1.11 Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004.

1.12 If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

1.13 The Department will process your personal data in accordance with the DPA and, in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

1.14 Any FOIA queries should be directed to the Review Team, using the contact details above.

1.15 This consultation is being conducted in accordance with Government’s Code of Practice on Consultation. A copy of the Code of Practice criteria and a contact for any comments on the consultation process can be found in Appendix A.
Chapter 2
A draft Charter for HMRC

2.1 Responses to the consultation point strongly to a simple, short document. Our proposed Charter is set in the table below:

Table 1

<table>
<thead>
<tr>
<th>HM Revenue &amp; Customs makes sure that money is available to fund the UK’s public services. We also help families and individuals with targeted financial support. We aim to make the tax and benefits system feel simple to use.</th>
</tr>
</thead>
</table>

**You can expect HMRC to:**
- Treat you as honest, believing you are willing to pay what you owe, claiming only what you are entitled to, unless we have good reason to doubt you.
- Respect you, listening to your needs and taking into account your circumstances.
- Provide you with accurate information, making it easy for those who try to get things right.
- Recognise your right to be represented by someone else.
- Pursue relentlessly those that break or bend the rules.
- Protect the information that we hold about you.

**HMRC expects you to:**
- Work with us to ensure your payments or claims are accurate and made at the right time.
- Respect our staff, treating them in the same way as you want them to treat you.
- Contact us when you need help, advice or support, letting us know if you have particular needs.
- Tell us about changes in your circumstances so that we can get things right as early as possible.

**Accessing information about HMRC:**
- Service standards, such as our times for responding when you contact us.
- Data protection policy and keeping your information safe and secure.
- Complaints process.
- Appeals process.

2.2 Some respondents suggested that a Charter should be supported by more detailed information, but with the first part remaining capable of standing alone. There are international examples of these two models:

- The Republic of Ireland Revenue Customer Charter is an example of a simple one page charter and is published at: [www.revenue.ie/en/about/custservice/customer-charter.html](http://www.revenue.ie/en/about/custservice/customer-charter.html)

- The Australian Charter is an example of a more detailed charter which hyperlinks to deeper levels and is set out in more than twenty pages and is published at: [www.ato.gov.au/corporate/content.asp?doc=/content/25824.htm](http://www.ato.gov.au/corporate/content.asp?doc=/content/25824.htm)
Questions

2.3 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?

2.4 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?

2.5 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?
Chapter 3
Key components of a Charter

3.1 The approach we have adopted in drawing up a draft Charter is in keeping with the views we received from participants in our consultation process. HMRC and its stakeholders are in agreement that a Charter could be used as a tool to improve the nature of the relationship between them so that it is based on mutual respect and collaboration.

3.2 Respondents suggested that, to work well, this relationship should in effect be a partnership. They said a Charter should outline what was expected of both parties but were clear that these behaviours must not be mutually dependent – so, for example, HMRC must respect people and treat them politely even when dealing with someone who does not.

3.3 Some of the respondents suggested that HMRC should not include service standards in a Charter. HMRC has made a decision in line with that suggestion so service standards will not be included in the main body of the Charter. HMRC intends to publish these standards as a separate document to which a Charter will have a direct link. This will mean that a Charter will meet calls for a short and simple document.

3.4 To ensure that a Charter remains a single A4 document, it is impossible to include all the suggestions made by respondents. In Appendix B we have themed the statements proposed by you but not included in the draft Charter. You may wish to look at the Appendix when you are considering our draft.

3.5 In this chapter we will explain the thinking behind the four components of a Charter in more detail.

3.6 Part 1 – Overarching statement

- Our respondents were keen for HMRC to use the Charter to make a clear link between what HMRC does and provision of public services. They said that people do not necessarily connect tax collection to public services and suggested that with greater understanding this link could encourage compliance. The proposal is that there should be a clear context-setting statement about the role of HMRC and how this is linked to the provision of public services.

3.7 Part 2 – What you can expect from HMRC

- This chapter is about setting out what people can expect when they deal with HMRC. There was a clear sense from the first consultation that some people feel apprehensive whenever HMRC makes contact with them, even before they understand the reason for the contact. Many respondents suggested that a Charter could be used to present the ‘human face’ of the organisation.

- Some respondents suggested that this section could be used to set out the legal rights of individuals and businesses who interact with HMRC. However most said that, as these are already covered in legislation, it would be more useful to set out what individuals, businesses and representatives can expect from HMRC. They wanted clear and simply worded high-level statements about the sort of values and principles that people can expect when they deal with HMRC that are not necessarily replicating rights in the law.

- We have chosen to draft a Charter setting out what people should expect from HMRC in simple and clear language.
3.8 Part 3 – What HMRC expects from Customers

- It was clear from our engagement process that a large number of people who deal with us, particularly those without representation are unaware of what HMRC expects from them. They told us that a Charter is a good opportunity to make people aware of what they need to do and how HMRC expects them to behave in their dealings with them.

3.9 Part 4 – Accessing information about HMRC

- We had suggestions that we should do more to tell you where and how you can get more information, such as how long we will take to respond to your correspondence or claim. This is often referred to as ‘sign posting’ – pointing you in the right direction.

- HMRC has always been clear that a Charter is not intended to introduce new complaints and appeals mechanisms but should refer to existing mechanisms where appropriate. Respondents suggested that a Charter should clearly state what happens where HMRC fails to live up to the commitment in a Charter or where they can go to get their issues resolved. The processes to follow are clearly signposted in the draft Charter.

Questions

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

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

3.12 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?
Chapter 4

Next steps

4.1 This consultation will be open for responses until 12 May 2009. An ‘e’ consultation channel has been created which allows people to respond online and there will also be a separate ‘e’ consultation aimed at young people.

4.2 At the end of the process, we will:

- Use the responses to design the final Charter.
- We will apply for the Plain English Crystal Mark on the final Charter.
- Test the Charter with staff, stakeholders and customers prior to launch.
- Finalise the plan for the formal launch of the Charter.
- Publish the Charter in appropriate formats.
- We will post updates on the Charter website when we have confirmed a launch date, at: www.hmrc.gov.uk/consultations/index.htm. We will also provide links to materials designed to increase awareness and understanding within representative bodies, similar to those that we will use to inform our staff. In addition we will post any legislation that is proposed or has been agreed about the Charter.

4.3 We are also working closely with DWP on their emerging Charter and will align the style, contents and launch as far as possible.

Questions

4.4 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.
Appendix A

Summary of consultation questions

Chapter 2 A draft Charter for HMRC

2.3 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?

2.4 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?

2.5 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?

Chapter 3 Key components of the Charter

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

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

3.12 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?

Chapter 4 Next steps

4.4 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.
Appendix B
Draft Charter components

You can expect HM Revenue & Customs to:

Fairness
A. Treat you even-handedly and in accordance with the law.
B. Treat you as honest unless we have reason to doubt you.

Listen and respect
C. Listen to your point of view, to understand your affairs, to be sympathetic to your needs and to explain clearly what you need to do.
D. Help you to understand and make decisions about the taxes and benefits that affect you.
E. You can expect HMRC to be transparent and give you access to information unless the law prevents us doing so.

Making things easy
F. Aim to keep the costs of paying tax and claiming benefits as low as possible, designing our systems so they meet your expectations for a professional and fair service.

Mistakes
G. Believe you will tell us if you find mistakes in our work, and we will put them right as soon as we can.
H. Understand that mistakes are possible and keep an open mind when mistakes are made. In putting things right, we will take into account all relevant circumstances.

HMRC expects you to:

Fairness
A. Be honest in your dealings with us.
B. Help us and others by telling us if someone is not paying or claiming the right amount.

Listen and respect
C. Co-operate with us when we contact you.

Making things easy
D. Give us the correct information we need when we ask for it and respond promptly when we communicate with you.
E. Be responsible for completing and submitting your returns with true and up to date information.
F. Take responsibility for finding out about your tax and benefits.

Impact Assessment
The Impact Assessment for the Charter is published at: www.hmrc.gov.uk/better-regulation/ia.htm
Appendix C

The Government's Consultation Code of Practice

About the consultation process

This consultation is being conducted in accordance with the Government’s Consultation Code of Practice. If you wish to access the full version of the Code, you can obtain it online at: www.berr.gov.uk/files/file47158.pdf

The consultation criteria

1. **When to consult** – Formal consultation should take place at a stage when there is scope to influence the policy outcome.

2. **Duration of consultation exercises** – Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.

3. **Clarity of scope and impact** – Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.

4. **Accessibility of consultation exercise** – Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.

5. **The burden of consultation** – Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees’ buy-in to the process is to be obtained.

6. **Responsiveness of consultation exercises** – Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.

7. **Capacity to consult** – Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.

If you feel that this consultation does not satisfy these criteria, or if you have any complaints about the process, please contact:

Richard Bowyer, Better Regulation Unit on 020 7147 0062 or richard.bowyer@hmrc.gsi.gov.uk