

HMRC to solve debt management problem - by writing the ...

Published: January 13, 2026, 4:17 am

[Another gem from the House of Commons Public Accounts Committee report](#) on H M Revenue & Customs:

The Department has been less successful in dealing with Tax Credits debt. The debts are often small, making them resource intensive to pursue, although where the Department can recover debts from ongoing awards, this is more successful.⁶² The Department told us that it is on track to achieve its target of reducing the Tax Credits debt balance by £200 million to £4.3 billion by March 2011, although this will be partly achieved by writing off £461 million of uncollectible debt.

So that's all right then. Problem solved! If everything was so easy.

But still people doubt there's a tax gap.

And still the government insists on sacking HMRC staff who could solve this problem.