

Want to know why HMRC bad debt was Â£10.9 billion? Si...

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It's been revealed that H M Revenue & Customs' bad debt in [2009-10 was £10.9 billion](#).

According to [HMRC's accounts](#) the provision was £10 billion in 2010-11 and £11.5 billion in 2009-10. They did not, as far as I can see (and I've searched) disclose a write off figure.

In earlier years write offs of about £4 billion a year were considered normal.

So why the increase? Well that's easy to explain. If you sack your debt collectors your bad debt goes up, and that's exactly what HMRC under the direction of Dave Hartnett has been doing. In 2005 HMRC had 100,000 staff. By 2015 it will be 50,000. Many of these were debt collectors.

Total HMRC staff costs in [2010-11 were just over £2.2 billion](#). Seeking to reduce that has cost many, many times that sum.

No wonder the tax profession, HMRC staff unions and anyone trying to deal with HMRC agree that HMRC is understaffed. Now we know the cost.

When will sanity prevail and more spending on staff at HMRC be sanctioned? [It's the only way to solve the tax gap](#).