

## Is HMRC institutionally biased? It's a question that ne...

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I have [commented on the surprising choice of names](#) of those making settlement with HMRC, published yesterday.

[Ivan Horrocks of the Open University, a regular commentator on this](#) blog whose opinion I hold in high regard, provided a response I think worth sharing:

*I'd highlight two points, Richard. Firstly, was the North West not one of the regions that HMRC announced some months ago they were going to target? I seem to remember that they produced a list that went something like: takeaway food establishments and taxis in the East Midlands; builders and ballonists (I joke) in the North East, and so on. So I assume this is the result of whatever HMRC inspectors cracked down on in the NW.*

*The second point is a bit more interesting, I think. Why only name and shame and target relatively 'low value' wrongdoers? I think this may well be related to whether or not the custom and practice that now exists within HMRC (i.e. the culture) recognises you as a 'customer' or not, and what value they attach to that label.*

*It's worth briefly recalling that in the context of government and public services in the UK the transition (as it were) of people from 'citizens' to 'customers' was a trend that first emerged in the the early 1990s, when there was much discussion about whether or not the public - who may have been traditionally referred to as clients (as in, a client of social services or probation) or patients, as in the NHS - should instead be considered customers rather than citizens. In a nutshell, the argument of the supporters of this view was that if regarded as customers public services would then become more 'customer focused' or 'customer centric' and, as if by magic, public services would improve, much as the services of banks and supermarkets have improved by employing a similar philosophy (I joke again, of course).*

*This largely ideologically driven debate was settled in favour of members of the public*

*being viewed as customers instead of citizens during New Labour's first two terms in office. The result was that regardless of the type and nature of the relationship a person has with a public service (e.g. taxpayer, patient, benefit claimant, etc) we are always and everywhere supposed to be considered 'customers'.*

*In practice however, what we've seen is that some customers are better than others. Or perhaps it would be more accurate to say, some customers are more 'real' than others. In the retail sector they'd probably be referred to as more 'valued' customers.*

*Now I'm sure that all HMRC staff are told to treat all taxpayers as customers. But in reality I'm pretty sure we'd find that high net worth individuals, and big business (i.e. all those 'customers' of the Large Business Service within HMRC) are considered - and very importantly treated - much more as 'real customers' than some small scale business person in the NW - or indeed any other part of the UK.*

*As any of us who have ever ventured into a high end retail store will know, if you don't look the part then the service you receive and attitude of staff to you differs considerably to the service and attitude someone who looks wealthy receives. Ultimately then, those who have been targetted and named and shamed in the North West pay the price for being less 'valued' customers of HMRC than the likes of Vodafone, and presumably not having the benefit of an HMRC Customer Relations Manager to make a case for treating them not too harshly.*

*It's another perspective on what appears to be inherent bias within HMRC that deeply troubles me.*

*There is, incidentally, more on this in ['Over here and under-taxed'](#) where I call for top down reform of HMRC.*