

Cuts are crippling HMRC and that's deliberate

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The [Guardian reports this morning that](#):

Figures published by HM Revenue and Customs (HMRC) show that the average time people spent waiting in a phone queue to HMRC was 10 minutes and 53 seconds — more than double the wait from a year ago. The figures also showed 34.5% of calls were cut off, significantly up from the 20.5% recorded last year, and less than one in 10 calls about tax credits were answered in under two minutes — down from one in three a year ago.

The average waiting time for tax inquiries rose from four minutes 42 seconds in 2013 to almost 12 minutes in September 2014. For tax credits the wait doubled from seven minutes 13 seconds in 2013 to 14 minutes 28 seconds in 2014.

I noted declining standards of service from HMRC as an issue in my report on the tax gap and the consequence of cuts in HMRC's budget for PCS, the union that represents the majority of staff at our tax authority, [published last autumn](#) but the implication of these reports is that the anecdotal evidence that I was given last year that things were much worse than official statistics showed now seems to have been confirmed.

This, of course, is not by chance. It is the policy of the HMRC board, [that appears largely accountable to people drawn from the Big 4 Accountants and big business](#), to cut services supplied by HMRC. So it has closed Enquiry Centres, and is drastically cutting front line staff, especially in the area of personal taxation, all in the name of supposed efficiency that means that about £120 billion of tax goes uncollected each year and vast numbers of people cannot get the help they need to pay the right amount of tax in the right place at the right time, which should be HMRC's basic job.

If you want to undermine tax collection and the capacity of government to govern though a lack of resources being available to do the job this is, of course, just about the best way to achieve the goal. If you also want to undermine fairness in society and create an unlevel playing field in business where cheats go unchallenged this is also a great way of achieving that goal.

If you want social justice, fair taxation and equality this is a disaster.

I am quite clear that HMRC's board and the government are on the wrong side in this debate and that debate is not pragmatic, it is fundamentally ethical. My accusation is that they are sabotaging the tax system, deliberately. It's a big accusation and one I think wholly justified by the evidence.

The consequence is that HMRC needs reform from ministerial and Board level downwards, and without both we will not have the tax system we need in this country.