

The last thing HMRC needs to be is a digital powerhouse

https://www.taxresearch.org.uk/Blog/2015/11/27/the-last-thing-hmrc-needs-to-be-is-a-digital-powerhouse

Published: January 12, 2026, 8:18 pm

The autumn statement, and HMRC's own vision for itself, suggests that the future of tax in this country belongs in a digital era. The result is that almost every tax office in the country is to be closed, to be replaced by thirteen new regional hubs, some of them profoundly remote from the places they will supposedly serve. But according to HMRC this will not matter as we are all going to interact much more often with HMRC via the apps they are going to give us (for free!) on our mobile phones.

I have to say that this sounds like a vision from hell doomed to failure to me.

I cannot of course prove it, but I suspect that the vast majority of the calls that were not answered by HMRC this year (the tens of millions of them) could not have been resolved if the caller had at the time had access to an HMRC app.

And I do not think that dealing with HMRC is the remotest bit like shopping on line (which they suggest it is), which most of us only do when we already have a very good idea of what we want and the only decision variable left is price. I know that because when it comes to grocery shopping on line there has not been the expected revolution, because the list of options is just too hard to handle and the outcomes too unreliable to depend upon, and tax is much more complicated than that. Which is precisely why people will still want to call in person, as I do at the supermarket.

I also anticipate a massive back lash and resentment [if we are meant to update our tax details on line once a quarter](#), with no doubt the threat of a penalty being applied if we do not within a very short time period (it's 30 days for VAT) when tax will continue to be assessed annually.

And all of this will be compounded by the fact that HMRC will, when operating this new service, have retreated to a bunker a long way from where we are to ensure that human interaction becomes as hard as possible.

What is more, those thirteen new bunkers do themselves have massive inherent design flaws built into them. Wendy Bradley, whose tax blog I do not reference enough,

[detailed some of these a few days ago, saying:](#)

This is a bad idea for so many, many reasons. Here are a few of them.

*

HMRC as a national network used to have a mix of people who worked locally (who would notice a new business starting up or a conspicuous show of unexplained wealth) and people who were moved around the country for promotion (so the standards of service were national). In the new plan, whole swathes of the country will have no physical HMRC presence.

*

Regional centres where someone spends their whole career have the potential to develop into fiefdoms with their own customs and practices — a national system becomes a postcode lottery.

*

*A national system with regular staff mobility has an in-built anti-corruption apparatus**. A static regional team will need another bureaucracy of inspection and quality standard-setting.*

*

As the [PCS points out](#), there was no public consultation or parliamentary discussion of the plans. HMRC is a non-ministerial department but that doesn't mean it can behave like a private company and arrange its affairs to suit itself rather than the public it services. Obviously we need a tax administration fit for a twenty first century tax system... but who decided this was it?

To put it another way, poor service will be the new norm with a higher risk of error and corruption thrown in.

And all of this to save 18% of HMRC costs when the real need was to go out into the community and collect the tax owing by the businesses and others who do not pay it so that a level playing field for British business is created by ensuring that everyone competes fairly because everyone is paying the tax that they owe. The economic returns from doing that would be enormous, and would exceed the tax yield by a long way. But instead we have a vision of automatons paying their tax by app to data processing clerks whose work is, no doubt, already being considered ripe for outsourcing, and all because we have a government that does not understand that paying tax is one of the key relationships that binds us together in community, which they do not believe in.

Read The Joy of Tax and quietly weep for the opportunity we have lost due to poverty of thinking at the top of HMRC.