

Public Accounts Committee say HMRC is falling short, ye...

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The [Public Accounts Committee](#) as said today that:

The Committee is not convinced HMRC has a credible plan to make savings without damaging customer service and calls for urgent action to address this.

It warns that HMRC “is staking a great deal on the success of its plans to digitise the tax system” but has not agreed contingency measures with the Treasury should its projections about demand prove inaccurate.

The Committee calls on HMRC to demonstrate by March next year that it has an adequate plan to safeguard against a further “disastrous decline” in customer service while meeting the challenges of cutting spending, restructuring its business, replacing a major IT contract, relocating most of its staff and dealing with the implications of Brexit.

Meg Hillier MP, Chair of the PAC, said:

The public and Parliament rightly have high expectations of HMRC which plays a vital role in national life.

It is therefore disconcerting that again we must raise concerns about the authority’s customer service and transparency in the tax system.

The lack of a convincing fall-back plan to safeguard service as HMRC undergoes significant change remains a looming threat to its ability to collect tax from individuals simply trying to pay their fair share.

HMRC’s senior management cannot afford to be complacent about the catastrophic collapse in customer service in 2014-15 and the first half of 2015-16, nor about what is at stake should their projections about demand for call centres prove wrong.

Contingency planning should not be an optional extra. By the Spring we will expect to see evidence that HMRC has agreed measures with the Treasury to ensure it is not left playing ‘catch-up’ at taxpayers’ expense.

It is depressing that after years of me saying much the same thing, and saying that HMRC's only concern is budget cutting without considering the consequences, MPs still have to agree that HMRC is falling woefully short of reasonably expected standards for management and customer care.

It remains my opinion that nothing short of a total overhaul of its senior management and ministers' attitude towards it, so that it is seen as a public service and not as annoying cost centre, will do if this situation is to be transformed. There is no sign of this happening, and so the failures, including its ongoing failure to recognise the extent of the tax gap, let alone doing anything much about it, will continue.