

As HMRC works to Make Tax Digital their message to some..

Published: January 12, 2026, 11:34 pm

As the [FT reports this morning](#)

Software glitches are putting thousands of people at risk of paying hundreds of pounds too much tax next year, as programmers struggle to cope with an increasingly complex tax system.

Experts blamed the “horrendously complex” changes to the taxation of dividends and savings income for errors in the tax computation software for the 2016-17 tax year which ended on Wednesday. They said the problems were caused by the interaction of the new tax-free allowances for dividends and savings and the zero per cent savings rate band.

HM Revenue & Customs will provide a fix for 2017-18 tax returns but in the meantime those affected are asked to file paper returns.

You really could not make this up. When the success of Brexit is dependent on HMRC getting its computer systems right and when HMRC is supposedly [making tax digital](#) they are so far behind in their work that a tax change signalled well over a year ago cannot as yet be programmed into their software with the consequence that taxpayers will have to resort to paper returns and HMRC to manual tax calculations.

The messages are clear. First, some of Osborne's tax tinkering are absurd and need to be swept away. Stupid tax concessions for savers make no economic sense and are creating massive complications and uncertainty in the tax system.

Second, we have to assume that HMRC will not get the software for Brexit right on time. And that will lead to trade mayhem.

You have been warned.