



## **The Adjudicator's Office 2018 Annual Report is published today**

Helen Megarry, the Adjudicator publishes the Adjudicator's Office Annual Report 2017-18 today.

The report covers the period 1 April 2017 - 31 March 2018, and marks Helen Megarry's second full period as independent Adjudicator for HM Revenue and Customs (HMRC) and the Valuation Office Agency (VOA). It also marks the 25<sup>th</sup> anniversary of the Adjudicator's Office.

In 2016, the Adjudicator's Office published our 'Business Plan for 2016-18 and Vision up to 2021' and the Annual Report narrative incorporates the themes set out there.

Helen Megarry writes, "There are signs of continued focus on improving complaint handling in the department. However, in practice the benefits and principles of good complaint handling and learning are not fully understood throughout either organisation. This is apparent in the way in which individual complaints are handled. Although there are business areas demonstrating consistent improvement and evidence of good practice, more needs to be done to consolidate that across the board. Anyone accessing any part of the complaint process should be able to expect a similar level of service, focussed on putting things right when they have gone wrong. That is not currently always the case."

She goes on to say, "I continue to raise the importance of organisational culture in both sustaining effective complaint handling and learning from customer feedback. We consistently see elements of HMRC's culture impacting on their initial interaction with customers, their complaint handling and the action taken on feedback."

The Adjudicator concludes, "We will continue to support and work with the department to identify and make improvement. I encourage them to continue to invest in sustainable improvements to complaint handling to access the full benefit of listening to their customers' feedback to improve service."

The percentage of HMRC cases upheld by the Adjudicator continued to reduce in 2017-18 to 39% compared to 41% overall in 2016-17. This rate has been steadily reducing from a high of 85% in 2014-15. The downward trajectory continues but at reduced rate.

The total number of complaints on hand in the office at the end of 2017-18, is probably as low as at any point in the office's history. The largest proportion of complaints received by the Adjudicator were about HMRC Tax Credits, although this has reduced and is no longer as marked as in previous years. The number of complaints referred to the Adjudicator by customers of the VOA remain low.

Today also sees the release of a new Service Level Agreement between HMRC, VOA and the Adjudicator. It sets out the terms of our role and remit as well as the specific extent of the independence of the Office and the Adjudicator.

It provides transparency about our relationship with the Department and a clearer explanation of what we can and cannot do for our customers.

It will improve understanding of our role within the Department, enhancing efficiency and enabling collaboration to help us achieve better outcomes for the customer.

It will clarify the Adjudicator's remit for the Department, complainants and our own people and help us achieve better outcomes for the customer.

Notes for editors:

1. The Adjudicator's Office was set up in 1993 to look into complaints about the Inland Revenue (including the Valuation Office Agency). HM Customs and Excise and the Contributions Agency joined in 1995. In April 2005 the Inland Revenue and HM Customs and Excise merged to form HM Revenue and Customs (HMRC).
2. Helen Megarry was appointed as Adjudicator from 11 April 2016 when Judy Clements OBE completed her 7 year appointment.
3. The Adjudicator acts as an impartial referee when people are not satisfied with the way the departments have dealt with a complaint. She looks at complaints about handling issues, such as mistakes, delays, staff attitude and quality of advice. She does not consider complaints about the law, or where an independent tribunal already exists for settling disagreements. Her recommendations are independent and her services are free to complainants.
4. This report covers the period 1 April 2017 to 31 March 2018. It is available electronically at [www.adjudicatorsoffice.gov.uk](http://www.adjudicatorsoffice.gov.uk).
5. The Service Level Agreement ensures staff, accommodation, equipment and materials are supplied to enable the Adjudicator to provide an independent review of unresolved complaints. It is also available on our website. The new agreement applies for all new complaints received by the Adjudicator's Office from 1st June 2018.
6. Our next Business Plan will be released in the next few weeks.
7. Further information about the office (including leaflets on how to complain) can also be obtained from the above address or website.
8. Media enquiries to Jane Brothwood, Head of Office, e-mail: [jane.brothwood@adjudicatorsoffice.gsi.gov.uk](mailto:jane.brothwood@adjudicatorsoffice.gsi.gov.uk)

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Statistics 2017-18 (2016-17 in brackets)

	HM Revenue and Customs	Valuation Office Agency	Total
Complaints taken on for investigation	943 (1111)	24 (26)	967 (1137)
Investigation cases completed	1181 (1485)	23 (29)	1204 (1514)
Number upheld either partially or wholly	389 (604)	0 (1)	389 (605)

(NB: the totals for 2016-17 have been amended to remove Insolvency Service data)

In 2017-18 the Adjudicator recommended HMRC pay a total of £44,619.00 in redress to complainants for worry and distress and poor complaints handling (£70,676.20 in 2016-17). She also asked HMRC to reimburse £77,707.10 for direct costs (11,052.76 in 2016-17). The Adjudicator recommended that HMRC give up liability for tax and overpaid Tax Credits amounting to £454,071.88 (£1,268,641.89 in 2016-17).

The Adjudicator found no grounds to recommend payments by VOA in redress (£100 in 2016-17), or to give up tax due (£270.05 in 2016-17), or to pay a customer's direct costs in 2017-18 (£nil in 2016-17).