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HMRC internal manual

Complaints and Remedy Guidance

From: **HM Revenue & Customs**
(/government/organisations/hm-revenue-customs)

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CRG5100 - Financial redress: Considering claims

Payments made under our complaints policy are ex gratia and come out of public funds. We are accountable for ensuring that the amounts paid are fair, and reflect only the reasonable additional costs suffered by the customer as a direct result of our mistake or unreasonable delay. Director-level approval is required for large payments, and you should also be aware of national and any local delegated financial authorities. If you need advice, contact CCAST.

Ex gratia payments made under this policy are not taxable (except where we pay an agent direct; in

these circumstances the payment should be treated as normal trading income by the agent).

Remember we will not reimburse the normal day to day costs people incur in complying with their legal obligations. This includes the cost of normal communications, of clarifying or verifying matters, keeping specified records and preparing returns and the costs arising from normal enquiries and interventions.

It is premature to consider reimbursement before you have identified a mistake or unreasonable delay and established the extent of it. Do not agree to pay a specific amount until you have had the opportunity to consider whether the sum claimed is reasonable and proportionate in the given circumstances.

We normally require complainants to support their claim with evidence of costs paid before considering whether they are reasonable and how much to reimburse. Evidence can be in the form of receipts, paid invoices etc. depending on the nature of the cost.

Sometimes, the invoice issued by a complainant's agent may not be sufficiently detailed for us to identify and quantify the additional costs the customer has had to incur in sorting out our mistake. For example, the invoice doesn't distinguish between work covering normal day to day costs and the additional costs being claimed - or where there has been considerable correspondence and it is not clear what is being claimed.

In those cases we may need to ask the complainant to provide further information to enable us to be satisfied that the costs claimed are reasonable.

In some cases the customer may ask us to reimburse any costs charged by their agent for providing this information. If they do, we should refuse and explain that the customer is responsible for providing sufficient evidence to support their claim. The GOV.UK website makes clear that invoices must include a 'clear description of what you're charging for' and it is not unreasonable for

us (or the customer) to expect that all services provided are fully itemised. This is the link

<https://www.gov.uk/invoicing-and-taking-payment-from-customers/invoices-what-they-must-include>
[\(https://www.gov.uk/invoicing-and-taking-payment-from-customers/invoices-what-they-must-include\)](https://www.gov.uk/invoicing-and-taking-payment-from-customers/invoices-what-they-must-include)

However, it will not always be practical or cost-effective to seek a detailed breakdown of an invoice, proof of postage, stationery or telephone costs, particularly in relation to comparatively small claims. Our own records will normally indicate how many unnecessary communications the customer was obliged to make to sort out the problems caused by our mistake/unreasonable delay. It is normally sufficient to make a reasoned judgement on this basis; always take a sensible approach as to what evidence you need.

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