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HMRC internal manual

Complaints and Remedy Guidance

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

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CRG6075 - Payments for worry and distress: How much to pay?

Having considered the customer you are dealing with and the impact our mistake has had, you can normally proceed to considering what payment is appropriate. But there will be times when you will have to consider whether what you have been told is reasonable. If, for example, a customer who seems well able to cope with life's ups and downs and is used to dealing with officialdom explains that an incorrect coding notice has caused her endless sleepless nights and constant rows with her husband, then you may wish to consider things carefully and perhaps seek further advice CCAST. Again though, do not generalise. Remember that it must be our mistakes that have affected the

customer particularly badly. You may have to consider pre-existing circumstances when deciding whether to make a payment or the level of that payment. Payments are not intended to put a value on the distress suffered.

Our payments for worry and distress are meant to be a token - a way of acknowledging that our mistakes and delays have affected someone badly. They are not akin to damages and payment does not, in any way, amount to an admission of any legal liability. The payments will usually range between £25 and £500, but experience shows that the vast majority of payments are at the lower end of this range. It is not possible to give prescriptive guidance on the level of payments because we are looking more at the impact of our mistakes rather than the seriousness of the mistakes themselves. However, in practice a decision is likely to be reached on the basis of both these factors and any other circumstances surrounding the case.

Be prepared to make payments outside these limits. A payment of £10 may be appropriate in some cases, whereas a payment of £1000 may be right where there has been a very serious impact as a result of a very bad mistake. In between these there are endless possibilities and you should use your judgement and experience to come to a decision that is fair to the customer and broadly in line with other similar cases that your team and others in HMRC deal with. If you have considered all the available information carefully, and made a note of your reasoning, there will be no cause to increase the payment later, unless further information comes to light; for example compelling evidence that our actions had a more serious impact on the customer than was at first apparent.

Whilst a degree of consistency in the payments we make is desirable, it is not a prime consideration. What is important is that complaints are resolved to our customers' satisfaction and this includes paying the appropriate amount of financial redress. Again, consult CCAST in any case of doubt.

Very large payments will be exceptional, but do remember that

- any payment over £5000 must be authorised in accordance with [CRG5650](https://www.gov.uk/hmrc-internal-manuals/complaints-and-remedy-guidance/crg5650) (<https://www.gov.uk/hmrc-internal-manuals/complaints-and-remedy-guidance/crg5650>) and that
- consolatory payments of £500 or more must be referred to CCAST in accordance with [CRG7000](https://www.gov.uk/hmrc-internal-manuals/complaints-and-remedy-guidance/crg7000) (<https://www.gov.uk/hmrc-internal-manuals/complaints-and-remedy-guidance/crg7000>).

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