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HMRC internal manual

# Complaints and Remedy Guidance

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

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## CRG5150 - Financial redress: Reasonable and proportionate

It is our policy to reimburse costs incurred as a direct result of our mistake, so long as those costs are reasonable and proportionate. In the majority of cases it is quite evident that the costs claimed are reasonable and proportionate. But in some cases you will need to give this aspect careful thought.

Just because a cost is incurred as a direct result of our mistake or delay, it may not necessarily be a reasonable cost and it may not be appropriate to reimburse the full amount.

While it is not for us to question what costs the customer needed or chose to incur, we will not

reimburse costs that are unreasonable or excessive. To illustrate this point, consider the case of a customer who comes to the Enquiry Office by bus or train to tell us about, and sort out, an incorrect tax credit award. Another customer chooses to hire a helicopter for the same purpose. Both have had to incur costs to put right our mistake. But you are entitled to consider whether the cost of hiring a helicopter was excessive in the circumstances and limit financial redress to what you consider to be a reasonable amount. Remember a customer would be expected to minimise and mitigate any additional cost. If they choose not to and incur excessive costs, we will only reimburse what we would consider to be reasonable.

Consider another example. We write to a customer but we get his middle initial wrong. The customer telephones the author of the letter to complain, and is told that our records are correct but that the letter contained a simple typing error. The customer is not satisfied and speaks to the manager at some length. He writes in to the author and the manager, and phones on a number of further occasions to complain at length about what happened. He wants to be reimbursed for all the phone calls and the cost of postage, and seeks a payment for worry and distress. In this case, you are entitled to question whether the customer's reaction to the mistake and the costs he incurred, after having been assured that it was a simple typing error and that our records held the correct information, was proportionate.

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