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HMRC internal manual

Complaints and Remedy Guidance

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

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CRG5475 - Financial redress: Legal costs: tribunal proceedings

Our [litigation and settlement strategy](#) (<https://www.gov.uk/hmrc-internal-manuals/appeals-reviews-and-tribunals-guidance/artg1020>) provides the framework within which HMRC seeks to resolve tax disputes through civil procedures. Guidance on the role of Tribunals is set out at [ARTG](#) (<https://www.gov.uk/hmrc-internal-manuals/appeals-reviews-and-tribunals-guidance/artg8660>) (external users can find the guidance at <https://www.gov.uk/hmrc-internal-manuals/appeals-reviews-and-tribunals-guidance/artg8660> (<https://www.gov.uk/hmrc-internal-manuals/appeals-reviews-and-tribunals-guidance/artg8660>)). The appeal process enables

both sides to develop their arguments and seek to resolve the dispute but, if they can't reach agreement, they can present those arguments to an independent body. In many cases, the decision isn't clear cut and both parties put forward "respectable" arguments. It doesn't necessarily mean that the losing party has made a mistake if their argument is not supported by the Tribunal.

Costs can be settled through assessment by the Tribunal or through negotiation with HMRC Legal Group. These costs will run from the date of the decision/review that gave rise to the appeal. The Tribunal may award or the HMRC Legal Group may reach an agreement to pay costs less than the actual cost incurred, e.g. the customer incurred professional fees of £5000 in connection with the dispute and following the Tribunal's assessment or the negotiated settlement the customer receives £4000. The customer may appear to be out of pocket by £1000, but there will be good reason why the full amount is not awarded or agreed in settlement. Our redress policy does not allow us to reimburse the balance of £1000. We can, however, consider "pre appeal" costs. See [**CRG5500**](#) (<https://www.gov.uk/hmrc-internal-manuals/complaints-and-remedy-guidance/crg5500>).

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