

Ex-Tax Inspector Highlights HMRC's Performance Update (2025/26 so far)

On 11 Dec 2025 HMRC published compliance work data for first-half of the year, having secured £15.15 billion, prosecuted 127 and charging 276 people

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EINPresswire.com/ -- Overall, the compliance yield secured over the last two quarters was £15.15 billion. But we're mindful this is not anywhere near the half-way mark to the full year's target of £50.40 billion!



Amit Puri, MD of Pure Tax Investigations

Compliance Work Breakdown

So we looked more closely at the underlying compliance work done. We were surprised to see that only a third of this £15.15 bn figure related to “cash expected from compliance” i.e. real funds. The larger yield balance came from measurements like 'revenue loss prevented', 'future revenue benefit', and 'upstream yield' calculations...

“

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Efforts to tackle fraud - Year to date (last two quarters)
276 Positive charging decisions (criminal cases)
127 Total prosecutions
91.3% Success rate at court
118.0 Criminal sentences — custodial (years)
44.8 Criminal sentences — suspended (years)

239 Closed criminal investigations

*Value of recovered 'Proceeds of Crime' and from '[Code of Practice 9](#)' civil tax investigations - £76.87 million

We noted that the total secured by [Fraud Investigation Service's](#) (FIS) Code of Practice 9 and [Code](#)

[of Practice 8](#) civil investigations over the whole of the 2024/25 year was some £186.50 million. This shows how much more varied compliance work HMRC and in deed FIS do, when compared to the £76.87 million total yield figure from fraud work above.

Please see our comprehensive article on serious civil tax investigations 'lacking a deterrence effect', written for Bloomberg Tax on 12 September 2025. We highlighted that the number of new COP9 and COP8 cases opened had fallen to 450 over 2024/25. This was a mere, less than 10 new ones per week across the whole of the UK. This looks disproportionately low given the obvious and ongoing tax risks posed by entrepreneurs and businesses in these target groups.



Litigation

For us, the 9/10 success rate at court always stands out. HMRC have proven to be formidable with the fraud cases they have litigated, which is something to remember in all cases, not just fraud.

In the first half of the 2025/26 financial year, HMRC's overall litigation success rate – not just fraud - across all courts and tribunals was almost just as good at 86.6%. This rate reflects HMRC's results in some 1,160 decided cases during that period, encompassing full wins and partial wins. However, it's worth noting that not all litigation cases were finalised through a court judgment. Some were resolved through mutual agreement, so there was no need for a formal ruling in some. As a result, the overall volume of cases in this latter figure is higher than the court and tribunal outcomes reported.

Dispute resolution measures - Year to date (last two quarters)

32,258 Number of HMRC reviews concluded (related to automated penalties)

— of which: number of HMRC decisions upheld (related to automated penalties), and Upheld rate (related to automated penalties) - 12,182 (37.8%)

2,868 Number of HMRC Independent Reviews concluded (related to all other matters, e.g. tax decisions)

— of which: number of HMRC decisions upheld (related to all other matters), and Upheld rate

(related to all other matters) - 1,914 (66.7%)

Where there is a disagreement with HMRC on the amount of tax or a penalty which may or may not be due, those disputes can be resolved more quickly and cost-effectively sometimes, without recourse to the Tribunals and Courts. This remains the purpose of Independent Reviews.

Interestingly, HMRC statutory independent reviews about non-penalty matters are resulting in decisions being upheld in two-thirds of all reviews. However, in the case of the penalty charging decisions, HMRC's decisions are largely being vacated or varied. This stark contrast would suggest that HMRC's staff are less capable of arriving at robust penalty application decisions. This could relate to a lack of better training, experience and/or knowledge of the ever evolving and changing complexities around the penalties legislation.

Debt Collection

HMRC obviously wanted to collect as much of the tax that was due as soon as possible. They do however, support those who are in financial difficulty to try to manage their way out of HMRC debts with their Time to Pay arrangements.

Out of the various debt measures, we noted the £43.83 billion debt balance at the end of the second quarter of 2025/26. Of this balance, interestingly, only 15.2% was 'managed debt' forming part of some instalments and/or deferral arrangements. In absolute terms, there were some 830,906 persons in official Time to Pay arrangements at that second quarter's end date.

Somewhat disappointingly, this left the vast majority of debts available for pursuit - for the Debt Management directorate - i.e. un-managed, through informal, bankruptcy and winding-up actions.

*HMRC Performance Update, 12 December 2025,

<https://www.gov.uk/government/publications/hmrc-performance-update-october-2025/hmrc-performance-data-2025-to-2026-october>

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