

HMRC doubles amount it pays out in tax fraud tip-offs – but accountants say it needs to do more

HMRC has nearly doubled the amount it pays to informants, reaching a seven-year high.

Freedom of Information data obtained by accountancy firm Price Bailey reveals that HMRC paid out almost £1m for tip-offs in 2023/24, a 92% increase from the £508,500 disbursed in 2022/23.

The tax agency is actively working to reduce its £39.8bn tax gap.

In 2023/24, HMRC received 151,763 anonymous tips via its fraud hotline channels, slightly fewer than the 157,270 reports it received in 2022/23.

Despite the increased payouts to informants, Price Bailey's tax partner believes the amounts should be further increased, as reported by [City AM](#).

Andrew Park, a partner at Price Bailey, commented: "while HMRC has paid out a record amount to tax whistleblowers, it is still a paltry sum when set against the billions lost to tax fraud every year."

"The modest size of the payouts and the lack of transparency about how the reward system operates do not provide sufficient incentive for taxpayers to come forward with high quality information," he added.

Price Bailey highlighted that the IRS in the US offers larger rewards to whistleblowers. The US tax agency paid a total of

\$89m to just 121 whistleblowers, leading to the recovery of \$338m in tax.

Park noted that “the UK tax fraud hotline is opaque by comparison.”

“Awards are paid out on a discretionary basis and are not geared to the amount of tax recovered, which means that there is little incentive for people to report major tax fraud.”

“Many whistleblowers are employees of the business they are making reports about, and while whistleblowers are protected by law, employees are likely to balk at the risk of losing their jobs for a relatively insignificant payout,” he explained.

Park further stated that “anything HMRC can do to make its reporting system more accessible and transparent would be welcomed”.