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Date 20 May 2010
Our Ref 1390/10
Your Ref

www.hmrc.gov.uk

Freedom of Information Act 2000: Request for review

Thank you for your request for an internal review of the decision dated 24 March 2010 in response to your recent request about payments by cheque.

Your request

You wrote on 23 March 2010:

The recent Treasury Committee review on cheques has concluded that a number of small businesses make good use of cheques and find it an economic way to track funds made from the company. It was presented that the costs associated with making cheque payments were far less to businesses than the costs of making electronic payments. The committee also concluded that the customers should have a choice of which method was best for them when making payments.

You asked:

Why does HMRC insist that payments should be made electronically only when members of parliament are against the demise of the cheque and were adamant that customers should be allowed freedom of choice? It appears to the outside that one side of Government has one view while HMRC has another.

Information is available in large print, audio tape and Braille formats.
Type Talk service prefix number – 18001



INVESTOR IN PEOPLE



Please confirm if cheque payments are allowed to make VAT payments. If they are then the HMRC web site will need to be amended to clearly offer this choice to companies paying VAT.

Our response

HMRC replied on 19 April 2010 outlining the position for compulsory online filing/ electronic payment, affecting approximately half of the existing VAT customer base, from 1 April 2010.

Request for internal review

You asked for an internal review on 4 May 2010. You wrote:

Your reply did not agree with the Treasury Committee on the need to review the Payments Council attempt at setting a 2018 date for the removal of cheques.

It also had evidence that the cost to small businesses to make electronic payments is greater than by cheque. The underlying message was that people should have a choice on how to pay bills, which does not appear to be the case with HMRC.

HMRC made clear in the original reply that the term “electronic payment” includes payment by cheque, provided the cheque is paid in with a Bank Giro credit at a bank or building society. If you want to retain the option to pay by cheque, then you can do so, provided you adopt this process.

Internal review

The right in section 1 of the Freedom of Information Act (FOIA) is to recorded information held by a public authority at the date it received the request. Where the public authority holds the information it is obliged to release it, subject to a number of exemptions, within the statutory deadline. In my view your letter contained an enquiry for HMRC rather than a request for recorded information held. However it was treated under the Act and I am content therefore to review that reply for you under the terms of the Act.

I note that your request was dealt with within the statutory deadline of 20 working days and that you have been told about your rights to a review by HMRC and to complain, if dissatisfied, to the Information Commissioner.

Where information is available to an applicant by other means we normally cite the exemption in section 21 of the Act. Section 21 explains that information which is reasonably accessible to the applicant otherwise than under section 1 is exempt information. That means we do not have to provide it to you if you are able to find it easily elsewhere for example, electronically. The information about payment by cheque is available in the public domain via our website.

Conclusion

I am satisfied that the reply dated 19 April 2010 made it clear that the term “electronic payments “ did include the option to pay VAT by cheque, provided that the cheque was paid in with a Bank Giro credit at a bank or building society. Consequently, your assertion that HMRC had acted in contradiction to the Select Committee’s recommendations was based on a misunderstanding of the true position. These customers still retain a choice about how to pay us, including payment by cheque. The website text does make that option quite clear and has done so for some months. For completeness HMRC should have cited the exemption in section 21.

I confirm that this now completes the HMRC internal review process. If you are not satisfied with the outcome of this review, you may apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at The Information Commissioner’s Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF.

Yours sincerely

Margaret Earing (Mrs)