



HM Revenue
& Customs

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Dear Convenor,

Thank you for giving HMRC the opportunity to provide evidence to the Committee on 12 May 2022. You were specifically interested in the question of debt, and the share of debt that results from taxpayers in Scotland.

As I explained at the hearing, while debt remains high we have managed to reduce levels significantly from the peak during the pandemic. The UK-wide data published in our 2020-21 Annual Report and Accounts¹ showed the debt stood at £72 billion at 31 March 2021. The data published in our Quarterly Performance Report showed the debt stood at £39.5 billion² as at 31 December 2021.

I agreed that I would write to the committee on whether there are specific figures on debt levels for taxpayers in Scotland. The tables below show the debt value and number of customers in debt for Scotland and the rest of the UK. We have broken out PAYE and Self-Assessment and provided the total for all debt. The customer numbers can be compared to Scottish income-tax taxpayers typically representing 8.2 to 8.3 per cent of UK income tax taxpayers in recent years.

¹ [HMRC annual report and accounts: 2020 to 2021 - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

² [HMRC quarterly performance report: October to December 2021 - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Table 1: Debt value, £m - UK only - 31 December 2021***

	PAYE and Self-Assessment*		HMRC total	
Scotland	918	6.3%	2,027	5.7%
Rest of UK	13,731	93.7%	33,306	94.3%

Table 2: Number of customers in debt - UK only - 31 December 2021**

	PAYE and Self-Assessment*		HMRC total	
Scotland	286,000	7.4%	467,000	7.2%
Rest of UK	3,558,000	92.6%	6,006,000	92.8%

**PAYE and SA debts may include debts from savings and dividend income, National Insurance Contribution and Capital Gains Tax. PAYE debts will be allocated according to the address of the PAYE scheme/employer rather than the individual.*

***Customers are counted by tax regime so the same customer may be counted more than once.*

****Figures do not sum to the total debt balance of £39.5bn because these figures exclude non-UK debts and debts where the country cannot be identified.*

Jonathan Athow, Director General