

# U.K. strengthens tax informant rewards program to fight fraud and raise revenue

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On Nov. 26, the United Kingdom's Chancellor of the Exchequer, Rachel Reeves, in her 2025 Budget Speech, emphasized prioritizing His Majesty's Revenue and Customs pursuing tax avoidance schemes. HMRC, the UK tax authority, followed by posting the details of an ambitious tax informant rewards program in pursuit of that goal. It is modeled on the U.S. Internal Revenue Service whistleblower awards program.

For years in the United Kingdom, and even more so in the European Union, resistance to such programs has been high. The HMRC's initiative may prove to be an important contribution to the worldwide fight against economic crime.

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The U.S. has had a succession of whistleblower awards programs since the passage of the 1986 federal False Claims Act amendments which invigorated that law targeting fraud against the federal government. The succession includes the 2006 IRS whistleblower program. In September 2024, a \$263 million whistleblower-initiated recovery under the IRS whistleblower program was announced. The total amount of proceeds collected under that program for fiscal year 2024 amounted to \$474 million, and \$7.37 billion has been recovered since that program's inception, according to figures published in July 2025 by the IRS (<https://bit.ly/3Kvpk12>).

In March of this year, HMRC's intention to initiate an informant rewards program by the end of this year was foreshadowed by James Murray, then Exchequer Secretary to the Treasury, in a speech upon the 20th anniversary of HMRC, and by Chancellor Reeves in her Spring Statement to the Parliament.

Last month's action by HMRC is the fulfillment of those announcements and for the first time reveals the details of the program HMRC will run. Last month's action by HMRC is the fulfillment of those announcements and for the first time reveals the details of the program HMRC will run. These details in many ways parallel the IRS program by, for example, creating a qualifying monetary threshold, establishing a 15–30% reward range, and not capping the size of rewards. Here are the key elements driving the HMRC program:

**Threshold** — HMRC has set a threshold of 1.5 million GBP (British pound) to qualify for a reward under the program. This will allow the agency to cull out de minimis matters and focus instead on matters with the potential for high returns allowing for investigative resources to be allocated most efficiently and effectively.

**Floor and ceiling** — HMRC has set the range of rewards between 15–30%, based upon the contribution of the informant and their counsel in securing the recovery. The floor is meant to incentivize informants and their counsel to participate in the program, and the ceiling establishes a percentage limit on the reward protecting the public fisc.

**No caps** — Beyond the percentage limits, there will be no cap on the size of the award. Simply put, the greater the recovery, the greater the reward, which has proven a key to the ability of the IRS whistleblower program in incentivizing high-end claims under the program.

**Public / private partnership** — The government agency and the informant and counsel work together to maximize the recovery. As Chancellor Reeves framed it in her speech to Parliament, the goal is to “match private enterprise with public ambition.”

To be sure, the government agency is in charge of the matter with the informant and counsel providing support as requested. This arrangement allows the government to leverage those private resources, increasing efficiency and effectiveness.

**Embrace** — HMRC appears poised to embrace this program and to take full advantage of the information and resources

which will be coming its way. HMRC has a long history of working with informants leading to tax recoveries. Under the new HMRC program, an enhanced category of informants providing information about large scale matters, motivated by much larger potential awards, and backed by their counsel's resources will emerge. Once embraced by the highly experienced HMRC investigators, the results will exceed anything seen to date.

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Up until now, HMRC has run a limited program paying relatively small amounts to informants for their information. However, that smaller program has allowed HMRC to hit the ground running with its newly announced strengthened program which went immediately into effect upon its announcement on Nov. 26.

For the first time in the U.K., rewards will be paid as a percentage of the funds recovered which creates a set of incentives never seen before. The strengthened reward program is designed to attract informants to report serious tax avoidance or evasion typically involving large companies, wealthy individuals, and offshore schemes.

## About the author



**Neil Getnick** is the managing partner of **Getnick Law**, in New York City. His whistleblower representations have included tax recoveries under the IRS tax whistleblower program and the New York State False Claims Act. In September, he moderated a panel at the annual Cambridge University Economic Crime Symposium on HMRC's new tax whistleblower initiative. He can be reached at [ngetnick@getnicklaw.com](mailto:ngetnick@getnicklaw.com).

Rewards are given at HMRC's discretion. Similar to the IRS whistleblower program, reasons that an informant might not get a reward include:

- the informant is a civil servant or contracted to work for the government and got the information while so employed;
- the informant was involved in the tax evasion, or planned and started it; or
- the information provided may already be known to HMRC.

The full set of such reasons and the details of the program's operative details are accessible on HMRC's website (<https://bit.ly/4rFZU1K>).

Like the IRS whistleblower awards program, the HMRC initiative will empower private citizens to work with the government to uncover massive fraud committed by companies and powerful individuals generating significant revenue for the government, benefiting honest taxpayers across the U.K.

Already the HMRC informant rewards program is making waves. The U.K. Serious Fraud Office is poised to initiate a similar program of its own. And, perhaps even more startlingly, there is word that the E.U. is paying close attention and may soon be following suit. The combination of these efforts, in alignment with the HMRC program, may indeed prove to be a highly significant expansion of the international fight against economic crime.

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