United Kingdom Launches Strengthened Tax Whistleblower Rewards

The United Kingdom has launched a new tax reward program—the Strengthened Reward Scheme—modeled, in part, on the U.S. Internal Revenue Service's Whistleblower Program. The initiative enhances existing U.K. tax reward schemes by targeting large-scale non-compliance by corporations and high-net-worth individuals while increasing incentives for reporting. The program is intended to help close the U.K.'s £46.8 billion tax gap and restore funds to public coffers.

The Strengthened Reward Scheme is administered by His Majesty's Revenue and Customs (HMRC), the government authority responsible for safeguarding the flow of revenue from taxes, customs duties, and other mandatory payments to the Eschequer. HMRC has both civil and criminal investigative and enforcement powers to pursue the underpayment of taxes and duties.

Key provisions of the Strengthened Reward Scheme

To qualify for a reward under the program, an individual must provide information that leads to the collection of at least £1.5 million in unpaid taxes. This threshold is designed to focus HMRC's resources on cases involving significant tax evasion or avoidance.

Rewards range from 15% to 30% of the tax collected and are awarded at HMRC's discretion. There is no guaranteed reward, and the exact percentage depends on HMRC's assessment of the value of the information provided. There is no cap on absolute awards under the program. The more the HMRC is able to recover, the more the reporter stands to collect.

To be eligible, the information provided must be:

- Original, credible, and specific, and
- Not previously known to HMRC nor reasonably discoverable through HMRC's regular processes.

Whistleblower programs' role in improving tax collection

Tax evasion and avoidance contributed to a £46.8 billion tax gap in the 2023–24 tax year, representing 5.3% of total tax owed in the U.K. In June 2025, HMRC announced a goal of closing 7.5 billion pounds of that gap.

Whistleblower programs play a critical role in closing the tax gap by uncovering complex, concealed, or insider-driven schemes. The U.S. IRS Whistleblower Program illustrates this potential: since its creation in 2007, it has recovered more than $7 billion

in unpaid taxes and awarded whistleblowers over $1.3 billion. In 2024 alone, the IRS program collected $474.7 million in unpaid taxes. HMRC's strengthened program aims to generate similar results for the U.K.

Reporting under the Strengthened Reward Scheme

Individuals with information on high-value tax evasion or avoidance can submit a report. Reports should include:

- A description of the activity
- How the reporter obtained the information
- The reporter's relationship to those involved
- How long the alleged conduct has been ongoing
- An estimate of the value
- A description of supporting materials.

It is advantageous for prospective whistleblowers to consult with a lawyer experienced in whistleblower matters before submitting a report. Legal counsel can help navigate the process, assess eligibility, and assist in negotiating the reward percentage. \

Note the Following Ineligible individuals:

- Civil servants or government contractors who obtained the information through their employment
- Taxpayers involved in the evasion or avoidance
- Individuals who planned or initiated the offending activity
- Individuals required by law to disclose or withheld from disclosing the information
- Individuals acting on behalf of another person
- Individuals who derived the information from another ineligible source
- Those who provide information anonymously (anonymous reports are accepted but cannot yield a reward)