

Tell ABAB Response Summary

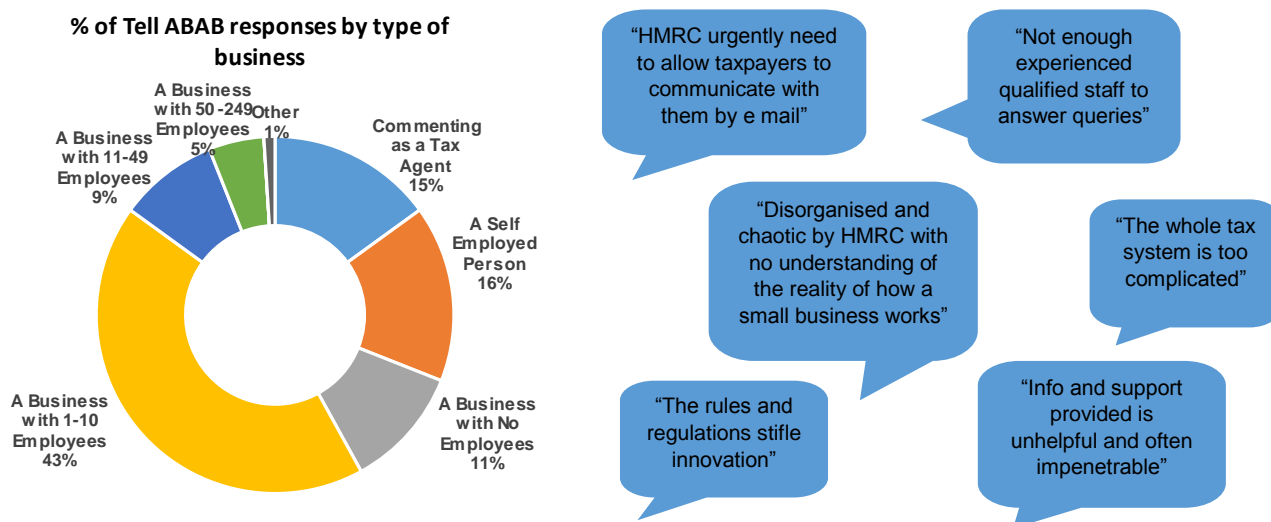
Thank you to all who have given us feedback via the 'TELL ABAB' facility during the last year. This report:

- gives you a summary of the comments received
- shows how we have challenged HMRC on the issues currently causing small businesses problems
- identifies relevant HMRC initiatives and gives our views on these
- and indicates next steps.

It is clear that some of you feel frustrated about the service you receive from HMRC. The insight and understanding from your feedback will help us continue to work with HMRC to influence and target current and future improvements.

Feedback Summary

The following is a breakdown of the type of business who submitted ideas/comments between the period January 2014 – December 2014 and the common themes identified. During this period we received 85 responses in total.



- **Personalisation** – You want... your tax affairs to be all in one place and for HMRC 'departments' to be much more joined-up. There is also a need to only receive what is relevant to you targeted to your specific business/circumstances.
- **Digital** – You want... to do more online and have suggested ways to make specific tasks easier.
- **Communication & Contacting HMRC** – You want... improvements to HMRC's channels of communication. You are particularly dissatisfied with the telephone service provided and when finally speaking to an advisor often felt frustrated at the lack of understanding of your previous contacts or that you were being transferred around.
- **HMRC Attitude and Approach to Small Businesses** – You want... HMRC to better understand the day to day pressures you face running your small business and to have more empathy when dealing with you.
- **Policy & Legislation** – You want... Government policies and legislation to be modernised and simplified, recognising the needs of small business so to encourage innovation and growth.
- **Processes & Systems** – You want... clearer guidance and greater consistency across specific services such as VAT, CIS.
- **Payments & Refunds** – You want... the mechanisms and policies for payments and refunds to work better for you and your business.

- **General Admin Burdens** – You want... to spend less time on admin and greater consistency across different taxes to reduce the burden in running your business.
- **Working with Agents** – You want... agents to be able to deal with HMRC on behalf of small businesses more easily.

What we have done

Having discussed the underlying themes from your feedback with HMRC, it is clear that your comments align with the concerns which HMRC has identified from its own research. So we have challenged HMRC on how it is responding to these concerns to identify what action is being taken.

The following are specific initiatives identified by HMRC that it believes are addressing some of your concerns. We also offer our opinion on these initiatives, and, where we feel there is more to be done, we will work closely with HMRC to ensure this happens.

Improving HMRC's Digital Services and delivering a more personalised service

HMRC is making significant investment to provide new and enhanced digital services to allow more to be done online and with a more personalised service tailored to individual business needs. These services include:

a) Your Tax Account (YTA)

YTA is a new digital service which provides small businesses with a personalised digital account showing liabilities and payments across Self-Assessment, Corporation Tax, VAT and PAYE for Employers. It brings together access to all key online services, guidance and information providing a joined-up experience for you, giving you the ability to perform a number of transactions with HMRC in a single place.

The way this is being designed and delivered allows HMRC to obtain feedback from users to drive future improvements to the service. There are already more than 2 million users of YTA and HMRC plan for this to be extended to all small business users during 2015/16.

If you are already registered for HMRC on line services you will see an invitation to move to YTA when you enter your User ID and password. If you are not yet registered you can [Register for HMRC Online Services here](#).

b) Agent Online Self Serve (AOSS)

AOSS is a new online service aimed principally at professional tax agents, which will replace the existing online service and act as the foundation for a range of expanded and improved services for agents, making it easier for agents to work on behalf of their business clients.

The first AOSS service is currently being piloted by a small number of agents. Once they have checked their client list and confirmed it is correct, these volunteers will be able to access the same PAYE liability and payment information as their employer clients. HMRC will continue to develop and test the service throughout 2015 in response to feedback from the customers concerned.

c) GOV.UK

We know that you have often found HMRC's website difficult to use. All of HMRC's most frequently visited online guidance has been transferred from its own website to GOV.UK. Information about HMRC's main taxes, including Self-Assessment, Income Tax, PAYE and VAT, tax credits and Child Benefit can now be accessed through

GOV.UK. This move has given HMRC the chance to simplify and make improvements to the information and guidance available.

ABAB's view

The significant investment from HMRC in digital is very positive and there is clearly a Departmental determination to embrace new technologies to offer you a better service, explicitly designing these services around your needs. The introduction of YTA is a significant advance and will enable you to view your liabilities and payments in one place and also receive increasingly tailored and targeted messages relevant to your business.

ABAB also welcomes the move to GOV.UK and its ambition to provide a simpler, clearer and faster way to find and understand government services and information. However, we do not believe that the website currently strikes the right balance between simplicity and having the right level of detail and guidance so that businesses know what to do. We have used your feedback, alongside details of our own experiences, to work with HMRC to pursue improvements. We urge you to continue to send your specific feedback too, either directly via links on GOV.UK webpages or to us using the Tell ABAB facility.

Communicating and Contacting HMRC

It is clear from your comments that many of you find contacting HMRC by telephone frustrating. HMRC acknowledges that its call centre performance still isn't good enough, and is working hard to make improvements to give you a better service. It has already introduced 03 numbers to reduce the cost of calling for the majority of customers. It also has plans for this year (2015/16), to make improvements to the voice recognition software that we know has caused difficulties, when all you want to do is speak to an advisor.

A new telephony contract which HMRC started to roll out towards the end of last year is helping it answer calls more quickly at busy times. This contract will also introduce more innovative digital solutions in the future, such as online chat and secure messaging.

HMRC has identified other initiatives that are improving the experience you receive when needing to deal with them:

a) Once and Done

The Once & Done project has been developed to deliver process changes that allow Call Handlers to deal with more the first time around, reducing the need for you to write to HMRC, for HMRC to write to you, and for HMRC to 'hand off' questions between its own staff.

The project had introduced close to 200 changes across the PAYE / SA, National Insurance and Employers phone-lines by March 2015. Further changes will be made across these lines during 15/16 and exploratory work into Tax Credits and Construction Industry Scheme helplines to see if the current process can be introduced here as well.

A further initiative attached to Once & Done is called Phone First. This has been trialled with a view to rolling the process out nationally during 15/16. Currently, HMRC writes to you if it needs additional information. Phone First allows the HMRC staff member to phone you for clarification or additional information regarding the correspondence subject. This means that HMRC can ensure that it gets the answer it needs and the customer gets an answer quicker and they know what has been done.

b) Speech Analytics System

HMRC has also introduced a new internal system to better analyse the topics you are calling about. This analysis will enable them to make improvements and reduce the number of future queries.

c) Digital Scanning Service

During 2015 HMRC's incoming post will be scanned to create a digital version of the correspondence. Scanning is helping HMRC provide a better customer service as information can be made available to operational staff more quickly via a digital image - without the need for sorting, cataloguing and physically moving it around the country. Advisors will be able to view your contact history and therefore understand your needs better. This will mean a quicker response for you.

ABAB's view

These initiatives should improve the service you receive. Advisors being able to see your previous contact history and have more authority to act is particularly welcome so that they can better understand your needs and answer your queries. We intend to work closely with HMRC to support the wider application of Once & Done approach.

We welcome what has been done to better manage peaks in demand (for example on Tax Credits and Self Assessment) and strongly encourage HMRC to also keep focus on managing demand throughout the year.

Help and Support for your business

HMRC has increased the range of products and services it offers to make tax easier for small business. These include tailored online presentations (webinars), YouTube tutorial videos and e-learning packages to help at key business-life events (for example starting your own business or becoming an employer), [Record keeping Apps](#) for your mobile phone (with a ready reckoner and business help) and an education email service.

Find out more about all these products and services to help support your business [here](#)

HMRC is also using more social media tools to engage with and support small businesses including a Twitter account [@HMRCbusiness](#) for you to keep up to date with HMRC's products and services, upcoming tax deadlines and online guidance.

ABAB's view

We have seen these products first hand and believe they offer tangible help and support to small businesses. They are becoming increasingly popular and we'd like to see even more small businesses making use of these services.

For further information there is an easy to use, digital and interactive guide which you might wish to read? The [guide](#) sets out these and other initiatives HMRC has introduced to help make it easier, quicker and simpler for you to comply with your tax obligations.

A different approach to compliance

HMRC has changed the way it approaches compliance to make it easier for you to get things right first time, rather than chasing you to meet your tax and payments obligations.

There are 3 key principles to its approach - HMRC

- **promotes** good compliance by designing it into systems and processes
- **prevents** non-compliance at or near the time of registration, filing or seeking repayment by stopping mistakes and personalising returns, and

- **responds** to address any risks and non-compliant behaviours that have not already been resolved through its promote and prevent activities.

This three-pronged approach is underpinned by HMRC's ability to analyse the increasing amount of digital information and data that is available. It will also help you in correcting errors using the digital services available as described earlier.

HMRC has recently published a [consultation document](#) exploring the way that it currently apply penalties when people fail to meet their tax or entitlement obligations. The current penalties systems are often unclear and can be perceived as unfair, specifically to those who might make an occasional error. HMRC have invited views on this document.

ABAB's view

We very much welcome the approach reflected in the document and endorse the case for simpler/clearer/better targeted approach to the use of penalties. We will work closely with HMRC as this process and thinking develops.

What next?

We think it is worth highlighting that HMRC, like any business, has a budget to work within and must prioritise. HMRC is listening to your feedback and making improvements but some of these new initiatives take time to introduce.

Some of the issues you have raised are outside the specific remit of HMRC as they require changes in tax policy, for example improving consistency between taxes. We have, however, raised these matters, and will continue to raise them, with the Office of Tax Simplification, Treasury officials and Ministers to ensure that they are taken into account when Government tax policy is being decided.

Thank you again to those of you who provided your feedback. ABAB recognises the frustration you can feel and the difficult experiences some of you have had. ABAB works with HMRC by providing feedback and critically assessing the Department's performance. We will continue to do so to ensure that these poor experiences become fewer and fewer and that the tax truly does become easier, quicker and simpler.

We presented our 2015 Annual Report to David Gauke, Financial Secretary to Treasury at the end of the last Parliament. The report included details of what progress we judged HMRC to have made during 2014/15 and our priorities for working with HMRC in 2015/16. These priorities include challenging HMRC to improve its understanding of 'real life' for small businesses and to ensure it uses this understanding in the design and delivery of its services and in minimising admin burdens. We will use your feedback to help us do this.

We would also particularly like to hear whether the improvements outlined above are addressing your needs. Please continue to 'TELL ABAB' what you think by continuing to use the online feedback through our [website](#).

Administrative Burdens Advisory Board

Click [here](#) to let us know if you have found this summary useful or not.