HMRC's customer service: How demand for HMRC advisers is changing and how we route customer calls

Summary

When the 2015 Spending Review (SR15) was prepared in October 2015, HMRC's average speed of answer (ASA) was 11 minutes, and 85.4% of call attempts were handled. These performance levels informed our SR15 analysis and modelling to ensure we captured our latest business knowledge in forecasting the demand for our services to support the SR15 agreement.

HMRC's funding settlement relating to customer services was largely based on the provision and take up of digital tax accounts, leading to a corresponding reduction in volumes of telephone and post contact. Since then, we have been working to provide digital channels that make it easy to pay the right tax at the right time while maintaining the resources we need in traditional channels to provide a good level of service to customers.

The use of digital tax accounts has increased and we have seen a reduction in telephone and post contact volumes, however, we have not achieved the rate of demand reduction envisaged in the Spending Review. Subsequently, we have built on the lessons we have learned to improve the accuracy of our demand forecasts and planning.

We also provide an update on our measure of call routing for our customer services.

Increased demand for digital services

Since the end of 2016-17, the number of new users of our Personal Tax Account (PTA) has increased by more than 55% and these are now being used by more than 15 million people for a range of services. Our Business Tax Accounts are used by more than 3 million businesses.

The number of digital customers giving feedback via exit surveys has increased by 46% to 9.6 million people since 2016-17 and almost 80% of customers were either 'satisfied' or 'very satisfied' with our digital services in 2017-18.

See more on how we measure customer satisfaction with our digital services here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/627610/HMRC_s_Customer_Service_-_How_HMRC_reports_on_digital_customer_satisfaction__post_and_telephony.pdf

Traditional contact demand: Spending Review 2015

In 2017-18, we saw a 10% reduction in adviser demand on our phone lines and more than 10% reduction in items of post received to HMRC, relative to the previous year.

Our Spending Review expectation of demand reduction in our Personal Tax Operations (PT Ops) was eight million in 2017-18, while the actual demand reduced by 5.8 million across phones and post.

External demand factors have contributed to the higher than planned contact, such as additional demand driven by population growth and additional coding contact linked to the gig economy.

Despite having higher than expected contact, our telephony and post performance has remained within the target levels we have been set to deliver. The average speed of answer (ASA) on our telephone lines was 4 minutes 28 seconds in 2017-18 against a target of 5 minutes and we handled 80.7% of post within 15 days against a target of 80% where customers were expecting a reply.

As our performance has improved since SR15, our understanding of the relationship between adviser demand and customer demand has deepened, which has enabled us to develop our business planning and modelling.

We have substantially improved forecasting accuracy and planning control, so that our business plans are underpinned by strong data.

We are very alert to the risk of reducing staff numbers ahead of realising our change benefits and we build contingency into our forecasts accordingly.

Since SR15, there are three key lessons we have learned that we have captured and built into our business planning position:

- there was unsatisfied customer demand in 2015 that we have been able to satisfy as our performance has improved – but this has increased adviser demand against our SR15 projections. As ASA has improved, more customers are coming through to speak to an adviser
- there has been higher than expected growth in new customer contact. For example, new contact driven by policy driven change and the growth in coding queries linked to the gig economy have increased demand for our services
- as we have developed our transformation activity, there have been some change initiatives which have not delivered in line with SR15 plans.

During 2018-19, we forecast that customer contact will reduce by a further 8% (3.7 million). Our demand reduction plans are driven by our strategy to optimise the effectiveness of all our services, to adopt a tailored servicing delivery approach, to reduce low value failure demand (for example, progress chasing and reassurance contact) and plans to migrate tax credits customers to Universal Credit administered by the Department for Work and Pensions.

HMRC call routing process

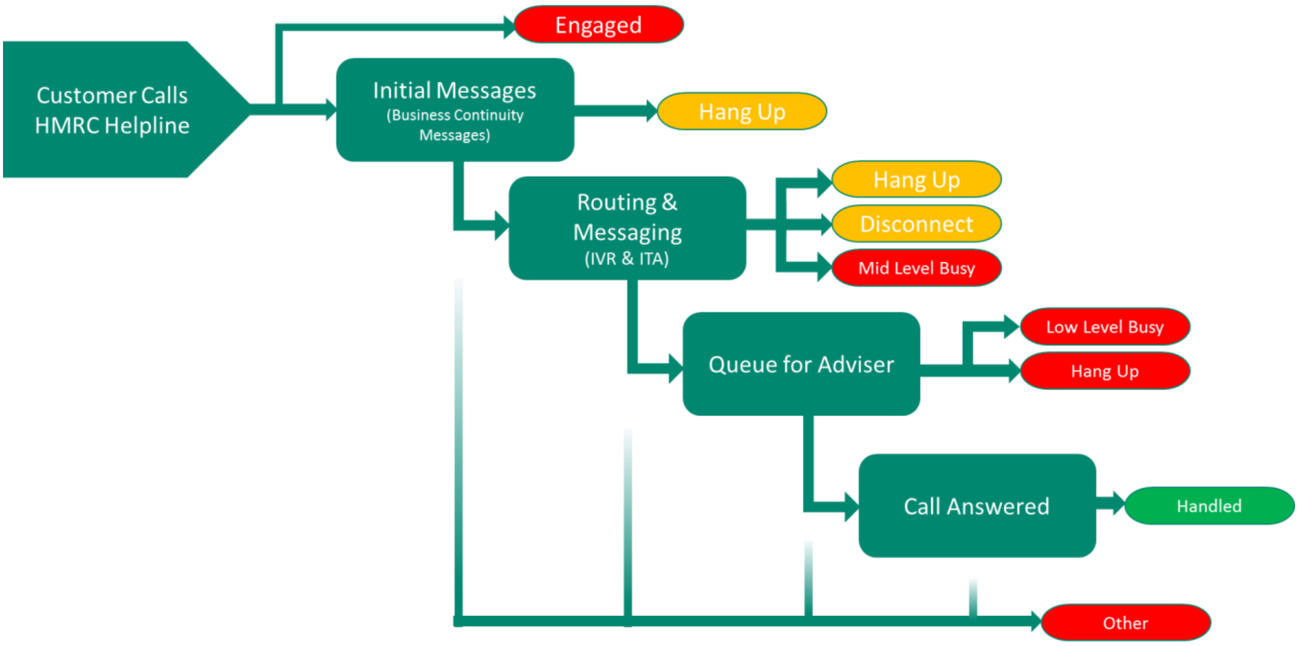
There is no single standard industry metric for measuring call service performance and different organisations measure it differently.

Customers calling our helplines are greeted by a series of initial messages setting out current issues to them. These are followed by a series of questions, which ensure that the customer is routed to the correct adviser line where they may be given further messages relevant to that business area. The customer is then taken through some security steps – speeding up the call for the customer having completed these steps – before speaking to an adviser and provided with further information relevant to their enquiry.

In 2015-16, we introduced new measures which are based on the average speed of answer and the percentage of customers needing to wait more than ten minutes to speak to an adviser.

We set out the detail on our call routing and how we measure ASA and call waiting in the note: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/627610/HMRC_s_Customer_Service_-_How_HMRC_reports_on_digital_customer_satisfaction__post_and_telephony.pdf

The diagram below provides a schematic illustration of HMRC's call-routing system.



The table below shows provides an update on the number of calls and the dropped call rate through HMRC's system in 2017-18.

Stages and outcomes	2016-17 calls	2017-18 calls	2017-18 (%)
Initial messages			
Customer drop	2,873,654	1,561,384	3.3%
Automated routing			
Customer drop	9,251,859	9,170,181	19.6%
HMRC drop	397,440	814,514	1.7%
Queue for adviser			
Customer drop	1,915,750	2,560,491	5.5%
HMRC drop	1,020,868	1,124,090	2.4%
Speak to adviser	33,582,806	30,004,346	64.2%
System issues	823,631	1,510,699	3.2%
Calls to helpline *	**49,866,008**	**46,745,705**	**100%**

* Underlying adviser demand	35,102,829	31,541,059

Underlying adviser demand is the number of unique callers to our telephony system, this means that repeat callers are stripped out, which HMRC uses as the measure to provide resources to telephony lines.

To read more on how we measure customer services performance, including post, see here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/627610/HMRC_s_Customer_Service_-_How_HMRC_reports_on_digital_customer_satisfaction__post_and_telephony.pdf