

# Tax credit renewal guidance Executive summary

## Background

The key aim of the research was to provide clear and robust information to inform decisions on whether to industrialise the re-designed and developed Tax Credit Renewals Guidance Notes.

## Research aims

Building on preceding product development research, the research programme was designed to:

- gauge whether the redesigned guidance notes are considered to be user-friendly and understandable, and more so than the current notes;
- identify whether the redesigned guidance notes have any ‘trouble spots’;
- measure whether fewer customer errors are made using the redesigned Tax Credit Renewal guidance notes;
- measure whether the redesigned guidance notes reduce the likelihood of avoidable contacts with HMRC;
- gauge whether the redesigned guidance notes improve the quality of customer contact (if required).

Customer research was required to determine whether the redesigned Tax Credit renewal guidance notes are an improvement on the current guidance notes. In the quantitative interviews, customers were required to complete an Auto Renewal or Reply Required renewal using a pre-fabricated scenario, to provide an objective test of the effect of the guidance notes on (correct) renewal completion.

## Main findings

Key findings from the research are as follows.

Overall, the redesigned guidance notes are a step in the right direction.

- They are regarded by customers as an improvement on the current notes.
- They don't appear to have a significant effect on customer renewals.
- They do not create more or different problems for customers completing their renewals.

The redesigned guidance notes are regarded as an improvement on the current notes.

- The redesigned guidance notes are more approachable for customers: smaller, less text-heavy, more intuitive to read and use.
- The redesigned guidance notes are rated very well when evaluated side by side with the current guidance notes.

- Customers say they more likely to at least consider using the redesigned guidance notes to help with their renewal first, rather than call the helpline straight away.
- Customers provided with the redesigned guidance notes have fewer questions during the renewal task.

The redesigned guidance notes don't appear to have a significant effect on customer renewals.

- Customers provided with the redesigned notes do not complete the renewals process more accurately or more quickly.
- The proportion of renewals with critical errors does not differ by those provided with the redesigned or current guidance notes.
- Customers provided with the redesigned notes do not perceive the task to be significantly easier to complete than those provided with the current guidance notes.

However, positively, they do not create more or different problems for customers completing their renewals.

- Correct completion / error rates are not worse for the redesigned guidance notes.
- Customers are just as able to find the information they are looking for in the redesigned guidance notes.
- Customers are more likely to consider that the redesigned notes contain the 'right amount' of information.

On the basis of this research, there is good evidence to recommend the industrialisation of the redesigned guidance notes which will save HMRC just over £1 million in print and postage costs per year.