



HM Revenue  
& Customs

***Research report***

# **National Insurance Number Confirmation Research**

*To understand demand for confirmation of National  
Insurance number*

**Prepared by Joanna Crossfield, Helen Greevy, Lucy  
Joyce Ipsos MORI  
For Personal Tax Customer, Product & Process (PTCPP)**

**July 2016**

## *About Personal Tax Customer, Product & Process (PTCPP)*

Personal Tax Customer, Product & Process (PTCPP) is responsible for the design, maintenance and improvement of personal tax services, products and processes such as PAYE, National Insurance, Self-Assessment and the Construction Industry Scheme. PTCPP develops personal tax strategy and policy and designs and delivers legislation, supporting ministers who take it through Parliament. PTCPP offers specialist technical, customer and compliance services to stakeholders and supports the work of other government departments such as the collection of student loans.

## *Contents*

Research requirement (background to the project)	3
When the research took place	3
Who did the work (research agency)	3
Method, Data and Tools used, Sample	4
Main Findings	5

© Crown Copyright 2016 - Published by Her Majesty's Revenue and Customs.

Disclaimer: The views in this report are the authors' own and do not necessarily reflect those of HM Revenue & Customs.

## ***Research requirement (background to the project)***

Almost every adult resident in the UK is issued with a National Insurance number. Confirmation of a National Insurance number can be requested from HMRC by telephone or via form CA5403. Over the past five years, demand for confirmation of a National Insurance number has risen and the indication is that volumes will continue to rise.

Internal research conducted by HMRC has shown that increased request volumes stem from a wide range of demand drivers, including third party requests. HMRC needs to fully understand these drivers to help reduce demand and improve customer service.

Overall the research aimed to understand why customers are asking HMRC for their National Insurance number including:

- What is driving this demand
- Why third parties ask customers for their National Insurance number in writing and what they do with this
- Exploring potential digital solutions for providing the National Insurance number which is acceptable to customers and third parties

## ***When the research took place***

The research was designed and carried out between April and July 2016. Fieldwork was undertaken in phases between 9<sup>th</sup> May to the 26<sup>th</sup> July 2016. No research was carried out during Purdah restrictions.

## ***Who did the work (research agency)***

The research was undertaken by the Employment Welfare and Skills (EWS) team working in Ipsos MORI's Social Research Institute in collaboration with HMRC.

## *Method, Data and Tools used, Sample*

A qualitative approach was undertaken to this study. A total of 50 in-depth telephone interviews were carried out: 43 with customers who had requested their National Insurance number in the past 3 months; 3 with parents or grandparents of those how had been involved in customer request for their National Insurance number and 4 with third parties who are involved in requesting National Insurance numbers.

Participants were recruited according to the quota table shown below:

**Table 1: Sample Profile**

		<b>Quota</b>	<b>Interviews Achieved</b>
<b>Customers</b>	Age	16 - 17	9
		18 - 20	9
		21 - 34	8
		35 - 50	9
		51- 64	8
	Gender	Male	23
		Female	20
<b>Parent/ Grandparents</b>	Parent / grandparent involved in National Insurance number request	3	
<b>Third Party</b>	Head of Tax Policy, Membership Organisation	1	
	Head of Payroll & Pensions, University	1	
	Employee Tax Manager, Banking Group	1	
	Industry Pension Liaison Manager	1	

Participants were recruited by specialist recruiters using a sample provided by HMRC. A purposive sampling approach was adopted, whereby key quotas were set and participants were recruited according to these using a screening document. The interview data was fully analysed using a robust inductive approach, as part of which the data was synthesised thematically and interrogated for patterns and relationships.

## *Main Findings*

### Reasons why customers requested their National Insurance number

There were two reasons why a customer requested confirmation of their National Insurance number:

1. **In response to a request from a third party** - Third parties who requested National Insurance numbers included: Government departments, agencies and organisations; employers and financial organisations such as banks and insurance companies. Though the National Insurance number is not proof of identity there was some evidence from customers of both banks and employers requesting National Insurance number for that purpose.
2. **Spontaneously** - When customers realised they did not have or know their National Insurance number and they thought that a third party may need it in the near future; or personal information was incorrect.

*“I just requested it [National Insurance number] so I can put it down for any application forms that I might need it for.” Female, CA5403, Spontaneous request*

### Reasons why third parties requested customer National Insurance numbers

The research explored what customers understood about the reason for the National Insurance number request, and with third parties why their organisation requested National Insurance numbers.

Customers demonstrated low interest in understanding why third parties requested their National Insurance number. They viewed the request as a necessary requirement and so were not inclined to challenge or refuse.

Third parties confirmed that employers and financial organisations request a National Insurance number to provide to the Government for data linking about customers, either for DWP, HMRC or Home Office purposes.

#### **Government departments, agencies and organisations**

Customer understanding was that government departments, agencies and organisations requested National Insurance numbers to identify customers and link to data held on their tax and / or National Insurance record. Customers in this research stated that the following government organisations had directly requested their National Insurance number:

- **Department for Work and Pensions:** to process a claim for Personal Independence Payments or provide a State Pension Statement

- **Home Office:** to process an application for a British passport or indefinite leave to remain
- **Student Loans Company:** to process an application for a Student Loan
- **Driver and Vehicle Licensing Authority:** to process an application for a provisional driving licence
- **The Electoral Commission and the Electoral Office for Northern Ireland:** for voter registration purposes

The National Insurance number was either requested verbally or as part of an online or paper form.

## Employers

Employers requested a National Insurance number:

- On application forms for potential employees for tax and NI purposes
- When customers started a new job or voluntary position for tax and NI purposes
- During employment, for identification purposes

Customers assumed that employers were requesting their National Insurance number for tax and identification purposes, though the number is not proof of identity. Customers felt obliged to provide their National Insurance number, believing there would be a negative impact if they did not: either the offer of employment would be withdrawn, their contract would be terminated or they would not get paid.

Employers were split between those who were happy to accept National Insurance number verbally or on a form and those who wanted to see proof of National Insurance number, for instance a letter on HMRC headed paper or the old National Insurance number card.

*“I knew my National Insurance number, but they [employer] still needed proof of it. I didn’t mind being asked for it, but because I knew it off by heart I was a bit annoyed that they just wouldn’t, like take it down when I told them it.” Female, CA5403 form, requested to provide to employer*

## Insurance companies

Insurance companies asked for a National Insurance number in order to provide it to a Government department to link to existing data held about the individual. For example, to send to DWP for use by the Compensation Recovery Unit (CRU) when making an insurance claim after a car accident or to HMRC when customers were either receiving taxable benefits from their employer (for instance health or dental) or purchasing an annuity.

Customers were clear about why HMRC may need their National Insurance number as they associate their National Insurance number with tax and National Insurance contributions. However, when the National Insurance number was needed for DWP, customers were less clear about what this was for, possibly due to low awareness of the CRU.

Third parties confirmed that when customers were taking out an annuity, a National Insurance number was the preferred way of linking customer data to HMRC data for tax reasons. However, this could be processed using an alternative identifier, for instance their employee number from a previous job.

## **Banks**

Customers reported that banks asked for their National Insurance number when opening ISA and current accounts.

There was evidence of a bank rejecting confirmation of National Insurance number on a benefits payment slip and instead requesting proof on a letter from HMRC. This is not the stated policy of the bank on its website suggesting that this was down to individual interpretation of the guidelines.

The third party bank representative interviewed confirmed that National Insurance number was only requested from customers by their group when it was required by HMRC and not for use as identification when opening a bank account.

*“With regard to our customers it’s not always a case that we will hold their National Insurance number for them unless there is legislation that says we have to.” Employee Tax Manager, Banking Group*

## **Spontaneous requests**

The research explored what was driving spontaneous requests for National Insurance number confirmation.

Future planning played a large role in why customers spontaneously requested their National Insurance number. They realised that they did not know their National Insurance number or have their letter or card, or that the information on the letter was wrong, and requested confirmation in the belief that a third party might ask them for it in the future.

*“The number used to be on a little card. I put the card in my purse and I lost my purse. So I needed a new one [National Insurance number confirmation], so I can put it down for any application forms that I might need it for.” Female, CA5403 form, Spontaneous request*

## **Channel preferences**

Customer choice of channel for requesting National Insurance number was driven by perceptions of ease and speed. Customers started progress chasing when they felt the request had taken longer than they would expect.

## **Digital solution options explored with customers and third parties**

The research explored the response of both customers and third parties to a digital account for viewing their National Insurance number.

Customers were warm to the idea of being able to view their National Insurance number through an online digital account as they believed this would be a quicker and easier way of accessing National Insurance number confirmation than other channels. A digital account with the ability to view National Insurance number was spontaneously suggested by some customers.

Third parties saw that a digital account would be beneficial as it would speed up the process of customers getting confirmation of their National Insurance number. This would allow employers and other third parties who needed to use the National Insurance number to pass this to the relevant Government organisation or agency more quickly.