HM Revenue & Customs

Research report

One Click

Qualitative research to explore customer needs and expectations for the One Click products

BT SME Programme

March 2011

Behavioural Evidence & Insight Team

BT SME Programme

The 'BT SME Programme' is part of the wider Business Tax Change programme within HMRC and aims to improve the way HMRC engages with business customers, helping them 'get it right first time'. The Programme will deliver improved online channels that will:-

- enable business customers to self serve

- design out error through simplification of rules and processes

- provide educational support.

The aim is to minimise unnecessary customer contact, ultimately benefitting both the customer and HMRC.

The Programme is aligned with HMRC's Business Customer Segmentation and Customer Centric strategies.

Contents

Research requirement (background to the project)

The Business Tax Programme has been charged with delivering "One Click". This means that new start up businesses will have a single point of access (from Autumn 2011) to all the help and guidance they need (not just tax) on www.businesslink.gov.uk. It will provide support to new businesses and aims to: ease regulatory burdens on new businesses who are starting up in the UK; and offer existing SMEs improved online 'self' service capabilities. There are four main projects in this programme of work and each componet delivers benefit to businesses and HMRC:

1.   New start up hub (SuH)
Delivered through Businesslink this aims to transform the SME customer journey and enhance the online offerings around both information and transactional services.

2.   A new tax registration tool (Online Tax Registration Service (OTRS)
This online functionality will enable businesses to register for our 4 main business taxes SA / PAYE / CT / VAT online, plus class 2 NICs, set up direct debits and agent details.

3.   The Business Tax Dashboard
This will provide both an internal and external, customer facing summary of an SME customer's financial position across the 4 main business taxes. It will provide customers with:
a single online statement manifested in a snapshot, personal to each business, of its liabilities and payments across the key business taxes (SA, CT, PAYE and VAT).

4.   VAT Registration Transformation (VRT).
This is an end to end process improvement programme, but components are being delivered under the auspices of One Click: an updated online VAT registration system including several processes which currently require paper/manual processing including de-registration and variations.

The research focused mainly on the Online Tax Registration Service and the Business Tax Dashboard. Customer feedback will be built into the development of the services before launch to maximise usage, appeal and relevance of the products being developed. There was also a small piece of research on the VAT Registration Transformation service.

Who did the work (research agency)

The research was conducted by 2CV Research.

When the research took place

Stage 1 took place between 25th and 28th October 2010
Stage 2 took place between 9th and 11th November 2010
Stage 3 took place on 27th January 2011
Stage 4 took place on 2nd February 2011

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Method, Data and Tools used, Sample

The four stages of research were all qualitative: a mixed methodology of focus groups and depth interviews were conducted with the following sample:

Stage 1: depth interviews
➔ This stage was to explore the initial context of the response around the Online Tax Registration Service and Business Tax Dashboard in terms of how people currently deal with running their business and their tax affairs, how IT fits into their businesses and how the products could have helped them (in the case of the Online Tax Registration Service) and examine the appeal of the Business Tax Dashboard

Business Type	Profile	Location
'Trade' 5 Interviews	Established - Less confident with IT 4 Interviews	London / South East 5 Interviews
'Service' 5 Interviews	Established - Confident with IT 4 Interviews	Midlands 5 Interviews
	New Start-Up - Less Confident with IT 4 Interviews	
'Professional Service' 5 Interviews	New Start-Up - Confident with IT 3 Interviews	North 5 Interviews

Mini-groups with prospective start-ups
➔ These sessions were to explore the early stages of setting up a business and explore reaction to the products in terms of helping them to register their tax affairs and manage them.

Business Type	Profile	Location
'Trade' 3 Groups	Less confident with IT 3 Groups	London/ South East 2 Groups
		Midlands 2 Groups
Mix of 'Service' and 'Professional Service' 3 Groups	Confident with IT 3 Groups	North 2 Groups

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Stage 2:

Co-creation sessions

➜ The co-creation sessions were building on the first stage where we gathered the context and built on the findings to explore the stretch and future development of the products across the different audiences

Business Type	Business	IT Use	Location
'Trade' 3 Groups	Established business 3 Groups	Regular Users of IT 5 Groups	London / South East 3 Groups
'Service' 3 Groups	New Start-Up 3 Groups		Midlands 3 Groups
'Professional Service' 3 Groups	Prospective Start-Up 3 Groups	Infrequent user of IT 4 Groups	North 3 Groups

Stage 3 & 4:

1 hour usability depth interviews:

➜ During this stage we explored how easy respondents found it to navigate through the Online Tax Registration Service and VAT registration demonstration (and, if time, also the Business Tax Dashboard), examining the language and format.

Business Type	Business	Demonstrator
'Trade' 4 Depths	Established business 4 Depths	Online Tax Registration Service 6 Depths
'Service' 3 Depths	New Start-Up 3 Depths	
'Professional Service' 3 Depths	Prospective Start-Up 3 Depths	VAT Registration 4 Depths

Main Findings

Overall, people liked the idea of the different products explored in the research
- The Online Tax Registration Service makes total sense to people and appears to simplify the process
- However, the Business Tax Dashboard is the lure for people as it gives greater transparency over where they stand with tax and the information is always available
- It was reassuring for prospective start-ups to know that all taxation issues can be dealt with quickly and easily at the start of trading

The design and format of the products was felt to be satisfactory on the whole
- No major stumbling blocks
- Products are simple and straight-forward to use
- Progress through them is simple
- The tone of language used seems accessible

As for accessing the products, there was low awareness of the Government Gateway and people did not always understand what it was for and people may need to be reminded to keep a note of their ID details.

Specific Online Tax Registration Service Feedback

Customers envisage a number of specific benefits from using OTRS:
- Simplicity: one straightforward form to fill in online
- Convenience: can be completed when you want and submitted quickly
- Step-by-step: clear process
- 'One stop shop': everything you need in one place

This provides the benefit of reassurance to people that they are correctly registered with HMRC.

Customers envisaged that they might ask their agents / accountants to access OTRS, either to check the information the customer had provided to confirm it was correct, or to complete the online form in its entirety, on their behalf. Customers were divided in preference between those who would like their agents / accountants to be able to do everything for them, and those who would prefer them just to check over the form before they submit it.

In terms of usability, people found the overall journey to be simple and straight-forward. The language and tone were found to be fitting and appropriate for HMRC.

Specific Business Tax Dashboard feedback

The point of reference for people in relation to the Tax Dashboard is online banking and as such they envisage being able to access all the information they want and need in one easy place. The fact that the Tax Dashboard creates a single point of contact for HMRC is a powerful motivator.

Some confusion arises as to whether the Tax Dashboard will mean that they no longer have to fill in returns with some assumptions that the information that is fed into the Tax Dashboard will be dynamic and so work out tax required throughout the year.

As seen with OTRS, there were a number of specific benefits for people
- Empowerment: people felt they could check their tax affairs whenever they wanted to
- Avoid penalties: track payment schedules and ensure always up to date across all registered taxes
- Quick reference: a simple overview
- Reassurance: can check payments have been received and processed
- Great transparency from HMRC: you are in control of your information, rather than waiting for HMRC to communicate with you

People could envisage three different ways in which they would use the Tax Dashboard
1) Reactive usage: only when they are told they need to deal with their tax affairs
2) Management usage: regular access to track tax affairs and check payments
3) Reassurance usage: ensure payments are up-to-date

Specific VRT Feedback

Navigation is, on the whole, straightforward - both moving between pages and progressing through the screens. However, there were difficulties in understanding the specific VAT-related language and as such could cause some confusion: terms such as "taxable supplies" are confusing for most, but the help section was expected to help explain such terms. Overall people found the flow logical and for each page knew what was required of them.