HM Revenue & Customs Customer Survey

2008-2014

HM Revenue and Customs Research Report 336

Disclaimer

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

Glossary

CATI – Computer Assisted Telephone Interviewing

VAT – Value Added Tax

CIS – Construction Industry Scheme

PAYE – Pay As You Earn

SA – Self Assessment

NI – National Insurance

Base size – This is the number of customers who were asked a question

SME – Small and Medium Enterprises

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1.
Introduction to the Customer Survey

1.1. Background

As part of the Spending Review 2010, HMRC developed its Customer-Centric Business Strategy to base its business decisions and the achievement of their goals on an understanding of their customers.

The aim is to deliver products and services which are based on customers' needs and positively influence their behaviours.

HMRC's customer experience ambition is that by 2015 they will get core services right for all our customers in the areas that matter most to them through consistently meeting published service levels. In addition, they will deliver targeted and more ambitious improvements for customer groups such as SME, agents and some individual customers, such as pensioners.

The customer survey is designed to provide the customer understanding to support HMRC's Customer-Centric Business Strategy and the Department's requirement to chart its progression in this area over time. It provides a number of headline and supporting measures for the Performance Measurement Framework covering CSR10. In particular the survey contributes to HMRC's Strategic Objective 2: Improve customer experience (to improve the customer experience and the UK business environment by reducing the costs on customers and making our products and processes more simple and straightforward).

1.2. Aims and objectives

The key aims of the survey are to track changes in the experience of dealing with the Department and the reputation of HMRC for each of three main customer groups (individuals which comprise Personal Tax and Benefits and Credits customers, SME businesses and financial agents).

The specific objectives are:

- Quarterly tracking of customer experience of recent dealings with HMRC; and
- Six monthly tracking of HMRC reputation measures (amongst those who have and have not had recent dealings with HMRC).

This report aims to present the aggregated results from the quarterly survey waves in the 2013/14 financial year for each customer group, and where appropriate make comparisons with the previous year and highlight key trends over time.

1.3. Research method

The survey was designed in 2008 to take a rounded view of HMRC's customers. Three key groups of customers are included in the survey: individuals, which comprise Personal Tax and Benefits and Credits customers, SME businesses (businesses with fewer than 250 employees and turnover below £40 million) and financial agents (those paid by customers to represent them in dealings with HMRC).

The same data collection method is used for all three: Computer Assisted Telephone Interviewing (CATI). The interview lasts around 15 to 20 minutes for each customer. In 2011 the sampling approach and questionnaires were reviewed given the need to meet 2010 Spending Review priorities, and the method was revised accordingly[1].

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[1] HMRC Customer Survey 2011-15 Development Project, February 2011: http://www.hmrc.gov.uk/research/report153.pdf

Respondents for the survey are selected using Random Probability sampling. This is the most robust sampling method available and statistical techniques can be used on the results to provide confidence about the true level of change over time. A more detailed description of the method is given in Appendix A.

1.4. Survey timing, structure and size

Fieldwork for all three customer groups is carried out quarterly. This allows any differences resulting from seasonality to be accounted for, by comparing quarters at the same time of year, or comparing data collected across full years.

The survey is modular in nature. Every quarter customers who have had any dealing with HMRC in the previous three months are interviewed about their experience. In addition, every other quarter, a random sample of customers (with and without dealings in the previous three months) is selected to answer questions about HMRC's reputation.

In 2013/14 interviews were carried out with around 16,900 customers: approximately 8,100 individuals, 5,400 SME businesses and 3,400 agents. The number of interviews reduced in 2011/12 from approximately 24,000 annually, in response to the recommendations of the methodological review to meet 2010 Spending Review priorities.

1.5. Reporting notes

1.5.1. Changes in sampling

In Q2 2011/12 the sampling frames for all three customer groups were redefined. More details are in Appendix A.

Agents

Prior to Q2 2011/12 the Agents sample was drawn entirely from the IDBR (Standard Industrial Classification (SIC) codes 69201: Accounting, and auditing activities, 69202: Bookkeeping activities or 69203: Tax consultancy). In Q2 2011/12 the sampling frame was supplemented with an SA sample of individuals in sector codes 6201 (chartered/incorporated accountants) and 6615 (auditors, book-keepers, financial advisers and other accountants) whose revenue is below the VAT threshold.

SME

Prior to Q2 2011/12 the survey used two sample sources: IDBR and HMRC's Self Assessment database (where at least 50% of income came from self-employment). In Q2 2011/12 the sampling frame was supplemented with records from the National Insurance & PAYE Service (NPS). This sample includes newer businesses that are not yet covered by SA.

Individuals

Prior to 2011/12 Personal Tax and Benefits and Credits customers were combined and reported as the Individuals customer group. From 2011/12 the Personal Tax and Benefits and Credits groups were reported separately. There are fewer Benefits and Credits than Personal Tax customers, so from Q2 2011/12 the survey included a boost sample. For Q2 and Q3 2011/12 the boost used RDD sampling. However, it was difficult to recruit sufficient numbers of Benefits and Credits customers. Therefore from Q4 2011/12 to improve sample efficiency HMRC's Tax Credits customer database was used as the sampling frame.

As a result of the sampling changes the 2011/12 customer experience results were not directly comparable with previous years of the survey as they included sub-groups not previously sampled. To enable comparisons between the old and new customer experience scores, the old scores were adjusted to compensate for the likely differences caused by changes to the sample. Further details are in Appendix A. No significance testing has been performed on results that have not been adjusted. No changes were made to survey coverage for Individuals so the scores from 2008/09 to 2010/11 remain unchanged.

1.5.2. Customer experience

Questions rating the customer experience are asked only of customers who have dealt with HMRC in the previous three months. All customers interviewed are read a list of taxes and benefits (including general dealings with HMRC) and asked whether they have dealt with HMRC about any of these in the last year, and in the previous three months. It is explained that dealings can take many forms, including letters, phone calls, visits, making a payment, using the website, submitting returns etc. Individuals are asked to exclude any payments made or received automatically. SME businesses are asked to exclude any dealings about their personal tax affairs. Agents are asked to think about dealings on behalf of clients.

One of the taxes or benefits that the customer had dealt with in the previous three months is then chosen at random and the customer is asked to think about their most recent dealings about this issue when answering questions about the customer experience. This random choice helps to ensure coverage of a variety of taxes and duties and reduce the impact of seasonal differences in dealings.

To ascertain what may be driving customer ratings and to identify key areas for action nine dimensions of customer experience were identified through previous research, and questions were developed that could apply to any HMRC tax. The nine dimensions can be split into three key areas (Table 1.1).

Table 1.1 Dimensions of experience

Area	Dimension
Simplicity	Ease of understanding what to do
	Ease of completing the process
	Ease of getting in touch
Responsiveness	How well staff treated you
	Giving all the information you needed$
	Keeping you well informed about progress$
Reliability and Speed	Good at getting things right
	Staff, in terms of their ability to deal with issue*
	Acceptability of time taken*

* New questions in 2011/12.
$ Question wording changed slightly in 2011/12

Customers were asked to rate their experience on each dimension using a five point scale (e.g. very good, fairly good, neither good nor poor, fairly poor or very poor). Customers could also say "don't know" or "not applicable". Customers who said the question did not apply to them were excluded from the analysis for that measure.

1.5.3. Reputation

Every second quarter (Q2 and Q4) a module is included in the customer survey to measure HMRC's reputation among those who may or may not have had any recent direct dealings with the Department and therefore encompass a broader target population than the customer experience questions. These questions were developed to provide measures to track HMRC's reputation and to evaluate the performance of its values over time among different audiences. Measurement was integrated within the Customer Survey from 2008, although the measures were substantially changed in 2010/11.

Questions about reputation were asked of a representative sample of customers and not just those who had dealt with HMRC in the previous three months. This means that questions about reputation are not linked to any specific dealings but to customers' general perceptions. The measures can be split into categories (Table 1.2)

Table 1.2 Measures of reputation

Area	Measure
Fairness	Trust HMRC to be fair
	Dealings are handled fairly*
	HMRC treats customers fairly*
Favourability	Favourability of overall opinion
	HMRC is an organisation with a good reputation*
	HMRC is an organisation I can trust*
Trust	HMRC carries out its duties properly and professionally*
	HMRC acts with honesty and integrity
	HMRC looks after customer interests*
Communications and stories	HMRC are effective at communicating with customers
	HMRC protects my information
	HMRC are good at collecting money, but not paying it out*
Support, compliance and other	It is not a big deal to pay taxes late*
	Give HMRC the benefit of the doubt if they were criticised*
	HMRC treats customers as honest

* New questions in 2010/11.

The fairness, favourability and trust measures contribute to elements of reputation and the others are for context.

Different answer lists were used for different questions. Most used a five point scale (e.g. very good, fairly good, neutral, fairly poor and very poor), while others used a scale of 1 to 10 (1 being most negative, 10 being most positive). To aid comparison of different measures where questions are compared, each will be presented using the following scale:

- Very positive (top of 5 point scale, 9-10 on numerical scale)
- Fairly positive (second of 5 point scale, 7-8 on numerical scale)
- Neither (mid-point of 5 point scale, 5-6 on numerical scale)
- Negative (fourth or fifth of 5 point scale, 1-4 on numerical scale)

1.5.4. General conventions in charts and text

This report discusses the first four full years of data collection, particularly any changes over time. Annual figures are presented which combine responses from Quarter 1, Quarter 2, Quarter 3 and Quarter 4 each financial year.

Customers were asked to rate aspects of their experience using a five point scale (e.g. very good, fairly good, neither good nor poor, fairly poor or very poor). Customers could also say "don't know" or "not applicable". Percentages for single-response questions do not always add up to exactly 100% due to the effect of rounding.

The following conventions have been used in charts:

- Charts often combine the top two points of answer scales into one measure (e.g. very good and fairly good combined to give total positive)
- Unless otherwise stated, on charts an arrow head is used to indicate statistically significant change from the previous year and a full arrow is used to indicate statistically significant change between the baseline in 2008/09, and 2013/14.
- Base sizes are shown on charts in brackets.
- Unless otherwise stated all changes and differences reported are statistically significant to 95% confidence level.

2.
Agents

2.1. Executive summary

2.1.1. Customer Experience

Nature of dealings

- Almost all Agents (96%) had dealt with HMRC in the previous three months. Most Agents reported a variety of dealings about the tax selected for them as the focus of the interview[2].

Dimensions of Customer Experience

- Three quarters of Agents (73%) rated their experience very or fairly straightforward, with one in six Agents (17%) giving a negative rating.
- Overall the expectation that dealing with HMRC would be straightforward was high (80%). Importantly, this expectation was generally met.
- Scores for dimensions of experience were varied. As in 2012/13, areas of simplicity were rated highly: ease of understanding what to do (84%) and ease of completing the processes (80%). One area of responsiveness was also rated highly: how well staff treated them (80%).
- The remaining measure of simplicity, ease of getting in touch, was rated less well by Agents (58%). Positive ratings for keeping Agents informed about progress continued to decrease in 2013/14, with a score of 51% compared to 63% in 2008/09. This decrease in keeping Agents informed is clearly evident amongst Agents dealing with payroll and national insurance, with positive scores decreasing significantly between 2012/2013 and 2013/2014.

Key Driver Analysis

The aim of the key driver analysis was to understand the underlying drivers of ratings of how straightforward it is to deal with HMRC [3]. It identifies the relative influence of each dimension of experience on the overall measure, and provides insight into the areas that need to be prioritised for improvement to keep overall ratings of straightforward high.

- Three of the key areas for improvement were related to reliability and speed: the ability of staff, being good at getting things right and the acceptability of time taken.
- Similar numbers of Agents gave positive ratings for the ability of staff (63%) and being good at getting things right (60%). Two-thirds (66%) rated the acceptability of time taken positively. Scores for the first of these measures were down on 2012/13 but the remaining two measures were in line with the previous year.
- The other key area identified for improvement was the ease of getting in touch (a measure of simplicity) which was rated positively by 58% of Agents, in line with 2012/13.
- The one secondary area identified for improvement was keeping the customer informed of progress (51%), has continued to decline since 2008/09.

2.1.2. Reputation

- In 2013/14, ratings on all favourability, fairness and trust measures either remained in line with the improved performance in 2012/13, or, in some cases, improved significantly.
- Of the other reputation measures, the improved ratings for effective communication and treating customers as honest seen in 2012/13 were maintained in 2013/14.
- The rating given to HMRC for protecting business information remains the only measure to improve significantly over time, up from 55% in 2008/09 to 72% in 2013/14.
- Significant improvements in positive scores for carrying out duties properly and professionally, reliability to act with honest and integrity and perceptions that HMRC is an organisation that Agents can trust brings scores for these measures back into line with the 2008/09 baseline.

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[2] For respondents dealing with more than one type of tax, one was selected at random as the subject of all further customer experience questions.
[3] "Straightforward" in this context refers to the single overall measure: how straightforward was your recent experience of dealing with Revenue and Customs?

Key driver analysis was performed to derive the relative importance of the reputation measures in driving overall favourability and to identify further improvement.

- Effectiveness of communication was rated highly in terms of importance but relatively low on performance, making it a primary area for improvement to improve overall favourability. The improvement in ratings seen in 2012/13 (46%) continued in 2013/14 (48%), but this was still below the 2008/09 baseline.
- Perceptions that HMRC has a good reputation remained consistent in 2013/14, but were identified as a key area for improvement to raise overall favourability.
- The secondary focuses for improvement should include negating concerns that it is good at collecting money but not paying out and getting the benefit of the doubt if criticised. Ratings for both of these measures remained consistent in 2013/14.
- To improve overall favourability ratings among Agents a particular focus should be on improving the experience of larger Agents (1000+ clients) as smaller Agents (1-9 clients) were generally more positive.

2.2. Customer Experience

2.2.1. The nature of dealings

To put the ratings of customer experience into context, it is necessary to understand the nature of these dealings in terms of the specific taxes customers have dealt with, the types of dealings they have had and the channels of contact they have used[4].

2.2.2. Taxes dealt with

Chart 2.1 Products dealt with in the last three months (%)

Base: Total population sample 08/09 (n=3651); 09/10 (n=3700); 10/11 (n=3015); 11/12 (n=2286); 12/13 (n=2270); 13/14 (n=2271)
Source: Q2 and Q4 08/09, Q2 and Q4 09/10, Q2 and Q4 10/11, Q2 and Q4 11/12, Q2 and Q4 12/13, Q2 and Q4 13/14 (Reputation quarters only)
▲▼ indicates an increase/decrease between consecutive years
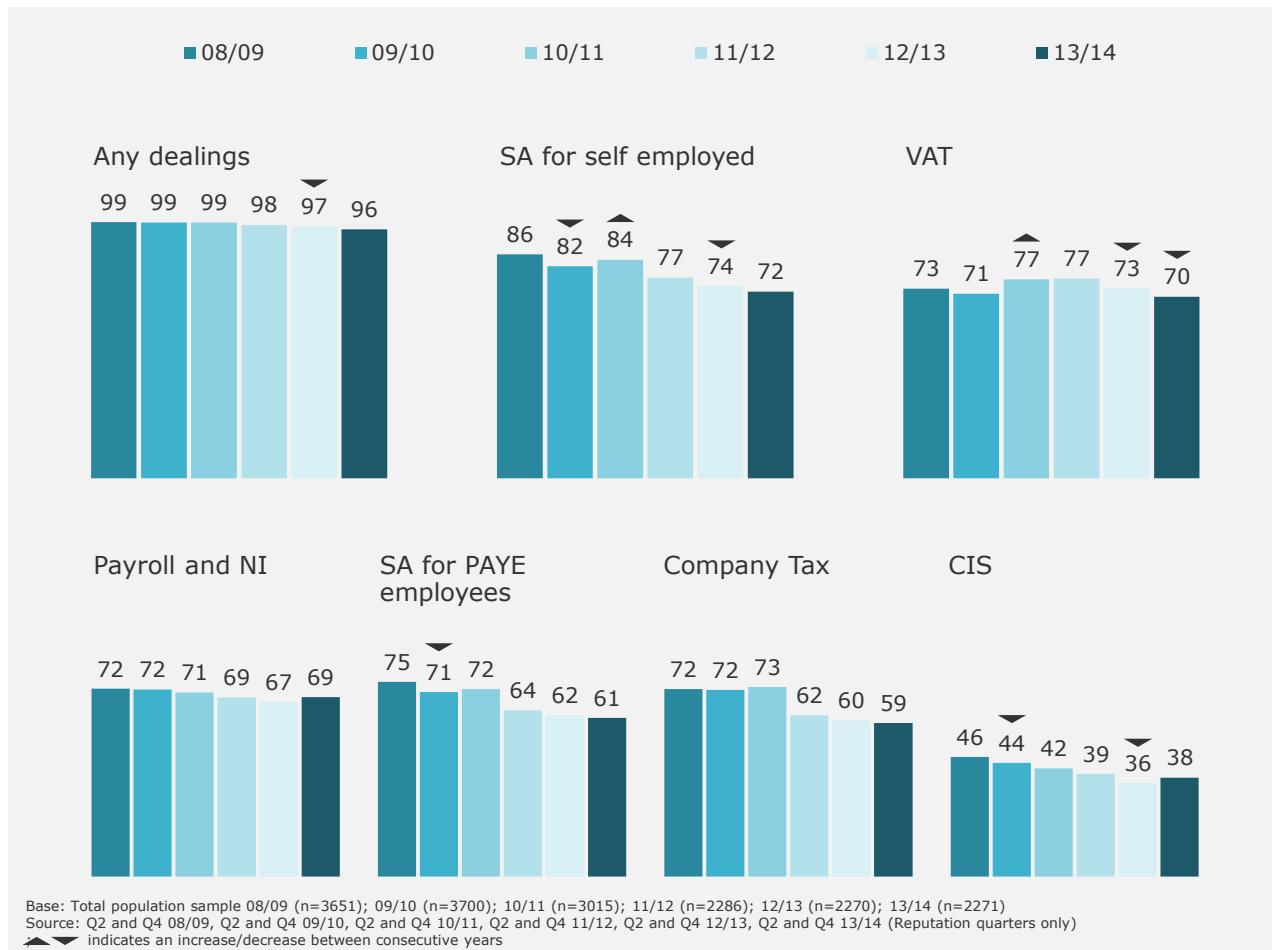
Chart 2.1 shows that in 2013/14 almost all Agents (96%) had dealt with HMRC in the previous three months, consistent with results since 2008/09.

There was a significant decrease in Agents dealings with VAT between 2012/13 and 2013/14, whilst the general downward trend in dealings with Self Assessment for the self-employed seen since 2008/09 continued in 2013/14.

The extent of dealings with the CIS seems to be levelling off in 2013/14, following several years of steady decline between 2008/09 and 2012/13.

Overall, the level of dealings with Payroll and NI, SA for PAYE employees and Company tax have remained generally consistent year on year, although large decreases between 2010/11 and 2011/12 for the latter two suggest they may have been affected by the change in sampling frame in 2011/12.

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[4] As with the previous report, significance tests have not been carried out on against data prior to 2011/12 due to the change in sampling frame

2.2.3. Types of dealings

Most Agents who had dealt with HMRC in the previous three months reported a variety of dealings about the tax selected for them[5] (Chart 2.2).

Chart 2.2 Types of dealings in the last three months (%)

Base: All with dealings in the last 3 months (08/09 n=8 7148; 09/10 n= 7211; 10/11 n= 5903; 11/12 n=3013; 12/13 n=2555; 13/14 = 2371)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase/decrease between consecutive years
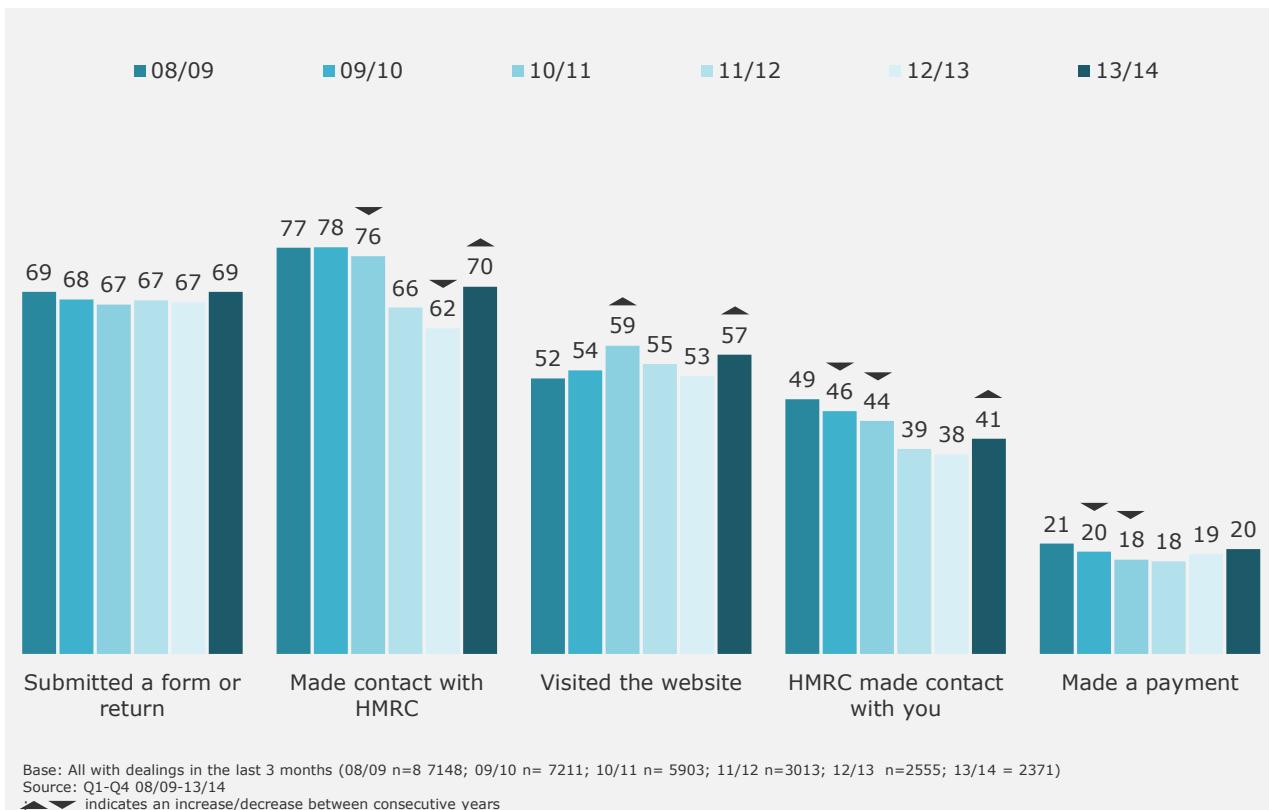
The number of Agents making contact with HMRC increased significantly from 62% to 70% between 2012/13 and 2013/14, making it the most common form of dealing with HMRC. This increase reversed the apparent longer term decreasing trend for this dealing seen in previous years.

Submitting a form or return continued to be a common dealing, with 69% of Agents having done so in 2013/14, in line with previous years. The numbers of Agents having made a payment also remained consistent with previous years. There was a significant increase in numbers visiting the website, from 53% in 2012/13 to 57% in 2013/14. Significantly more Agents also said that HMRC made contact with them in 2013/14 (up to 41% from 38% in 2012/13), following a downward trend over previous years.

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[5] For respondents dealing with more than one type of tax, one was selected at random as the subject of all further customer experience questions.

2.2.4. Channels of contact

Methods of contact can also influence the customer experience. Only those who reported *making* contact with HMRC were asked which channel they used. As reported in the section above, seven in ten Agents (70%) who had dealt with HMRC in the previous three months reported contacting HMRC in the course of those dealings.

As in previous years Agents were most likely to have used the telephone when making contact (74%), however the number having used the telephone has fallen significantly from 2012/13 when 78% of Agents reported this. Conversely, a greater number of Agents used the internet to contact HMRC in 2013/14 (63%) than in 2012/13 (56%).

In 2013/14 usage of post, email and fax as methods of contact remained consistent with 2012/13. One-in-four (39%) agents reported using post in 2013/14, whilst usage levels for email and fax were much lower, with only 9% and 4% of Agents respectively using each of these to make contact with HMRC.

Chart 2.3 Channels of contact in the last three months (%)

Base: All with dealings in the last 3 months (08/09 n=5575; 09/10 n=5624; 10/11 n= 4522; 11/12 n=2027; 12/13 n=1643; 13/14 n=1704)
Source: Q1-Q4 08/09-13/14
indicates an increase/decrease between consecutive years
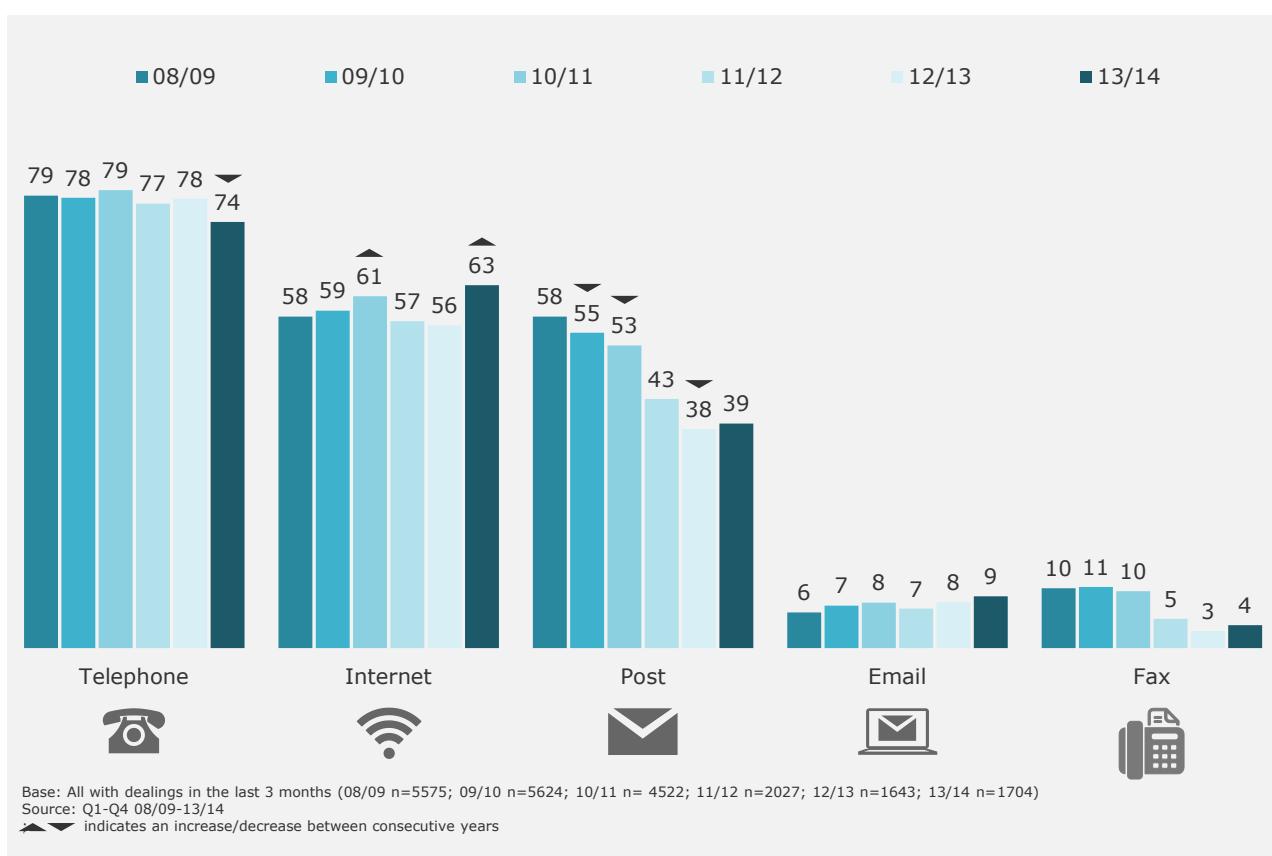
Importantly, most Agents used more than one contact method in their most recent dealing with HMRC. 62% of Agents making contact used more than one method. Where only one method was used, this was most likely to be telephone (51%), as was the case in 2012/13.

However, this represented a decrease from 2012/13, when 59% of Agents using only one method used the telephone. Over the same period, the number of Agents using the internet as their only method rose from 20% to 29%, whilst the figures for post and email remained consistent.

Similarly amongst Agents who had used more than one method, the first channel of contact was most likely to be internet (46%), with the number of Agents using the telephone in the first instance falling significantly, from 42% in 2012/13 to 37% in 2013/14 (Chart 2.4).

This suggests that an increasing number of Agents now tend to use the internet instead of the telephone to contact HMRC. This is in line with HMRC's Digital by default strategy, of encouraging internet usage.

Chart 2.4 First method of contact (%)

Base: All using more than one method of contact (11/12 n=1279; 12/13 n=1015; 13/14 n= 1073)
Source: Q1-Q4 11/12-13/14
▲▼indicates an increase or decrease between 2011/2012 and 2013/2014; ▲▼indicates an increase/decrease between consecutive years
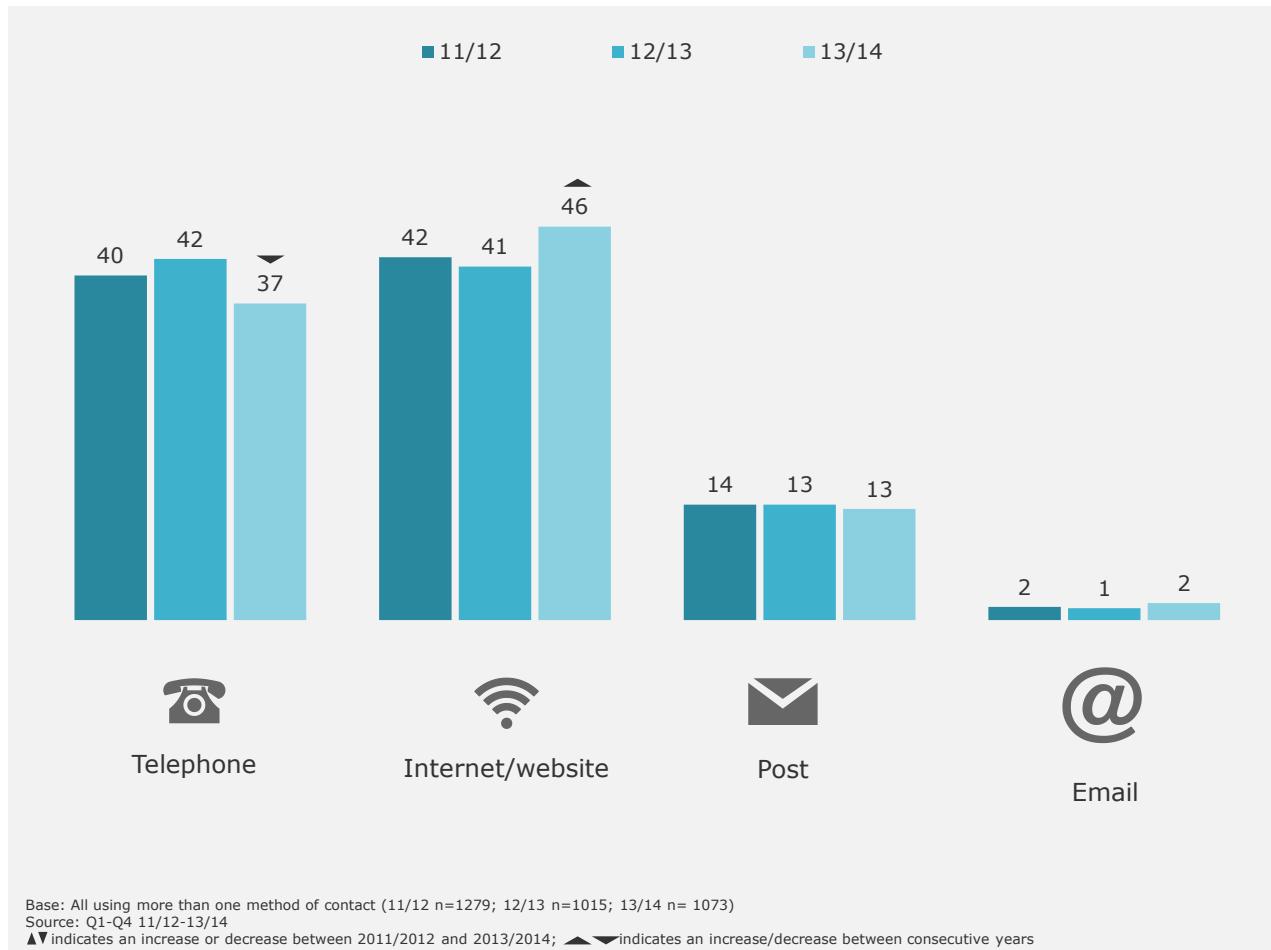
The most frequently mentioned reason for using an alternative channel was that Agents did not receive the information they required from their first contact (35%). 12% said they used an alternative channel for confirmation and reassurance, whilst 10% were directed to use another method by HMRC. Other reasons were given at lower levels, including being unable to make contact using their first method (9%).

Just under two thirds of those using more than one method to make contact (63%) said that the number of times they were in contact with HMRC was acceptable, which had not changed since 2012/13 (65%).

2.2.5. Overall ratings of customer experience

Overall ratings of the customer experience can be strongly influenced by two factors: satisfaction with the outcome, and prior expectations. To encourage customers to focus on their experience of the service they received when dealing with HMRC and minimise the influence of outcomes on the ratings they gave, they were first asked to rate their satisfaction with the final outcome of their dealings, and then asked to put the outcome aside, and rate how straightforward their dealing was.

Prior to Q4 2010/11 rather than rate how straightforward their dealing was, customers were asked to rate their overall experience, so the 2011/12 measure of straightforward forms a new baseline. In addition, a new question was added to the survey in Q2 2011/12 asking customers to state what their expectation of straightforwardness was before their dealings began (this question was asked before the more detailed experience questions).

Three quarters of Agents (73%) said their experience was very or fairly straightforward, a decrease versus 2012/13 (Chart 2.5). One in six (17%) gave a negative rating, in line with 2012/13. Satisfaction with the final outcome of the dealing was rated as highly as overall straightforwardness, with 72% of Agents very or fairly satisfied. This figure is in line with 2011/12 and shows an increasing trend since 2008/9, but represents a decrease from 75% in 2012/13.

Chart 2.5 Overall ratings and expectation of customer experience (%)

Overall satisfaction with final outcome

Overall rating of straightforward

Expectation of straightforward

Base: All with dealings in the last 3 months (08/09 n= 6710; 09/10 n= 6766; 10/11 n= 5575; 11/12 n= 2827; 12/13 n=2417; 13/14 n=2272)
Source: Q1-Q4 08/09-13/14
▲▼indicates an increase or decrease between 2008/2009 or 2011/2012 and 2013/2014; ◢◣indicates an increase/decrease between consecutive years
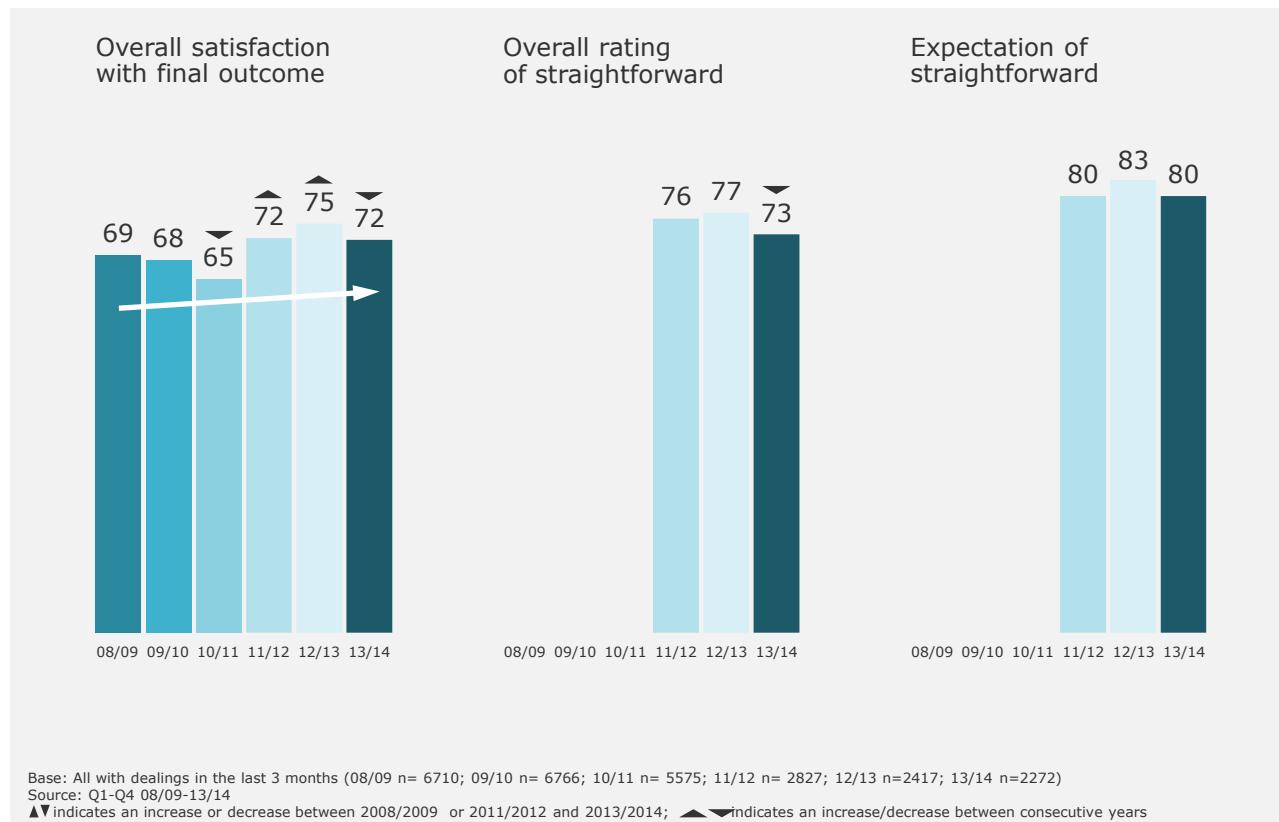
In general ratings of straightforwardness given for each product were in line with the overall rating. There were, however, some exceptions. Dealings with Self Assessment for the self-employed were rated higher (80%). VAT dealings were also rated higher (78%), but this represented a decrease from 84% in 2012/13. Conversely, dealings with Payroll and NI were rated lower (64%), a significant fall from 74% in 2012/13. Ratings for Self Assessment for PAYE employees also fell between 2012/13 and 2013/14, from 77% to 71%, but remained in line with overall ratings.

Customers were further asked whether their experience was more or less straightforward or in line with expectations (Chart 2.6).

Chart 2.6 Experience of straightforwardness against expectations (%)

Base: All customers with dealings in last 3 months (from 11/12 to 13/14 n=1863, 2555, 2371)
Source: Q1-Q4 13/14
▲▼ indicates an increase or decrease between 2011/2012 and 2013/2014; ▲▼ indicates an increase/decrease between consecutive years
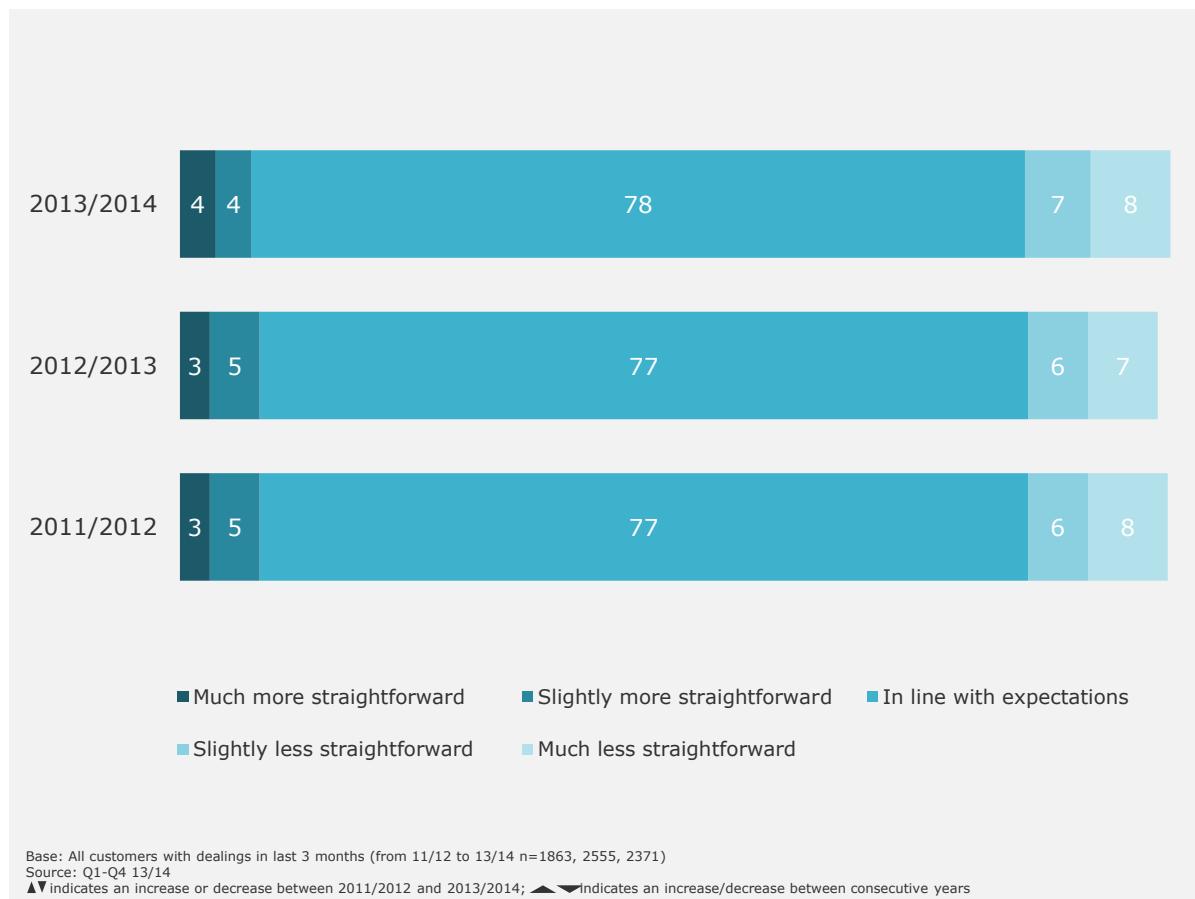
Almost eight in ten Agents (78%) said that their experience was in line with their expectation of how straightforward it would be. More Agents rated it as less straightforward than expected (15%) than more straightforward (7%).

There was a strong relationship between the rating of straightforwardness against expectations and overall rating of straightforwardness. Among Agents who rated their experience very or fairly straightforward, one in ten (9%) thought that experience was more straightforward than expected, compared with only two per cent among those who rated their experience neutrally or not straightforward. Of those who rated overall straightforward neutrally or negatively, 41% said it was less straightforward than expected.

2.2.6. Dimensions of customer experience

Whilst the overall ratings of customer experience give a general picture, it is essential to look in more detail at particular dimensions of the experience in order to ascertain what may be driving customer ratings and to identify key areas for action. The dimensions of customer experience were introduced in section 1.5.2.

2.2.7. Customer experience key driver analysis

Key driver analysis (KDA) was carried out using multivariate analysis of the overall rating of straightforwardness. The final analysis plots importance against performance in a quadrant diagram (Chart 2.7) with relative importance in driving the overall straightforward rating on the horizontal axis and performance on the vertical axis. A more detailed description of the key driver analysis is in Appendix A.

Chart 2.7 Key drivers of straightforwardness[6]
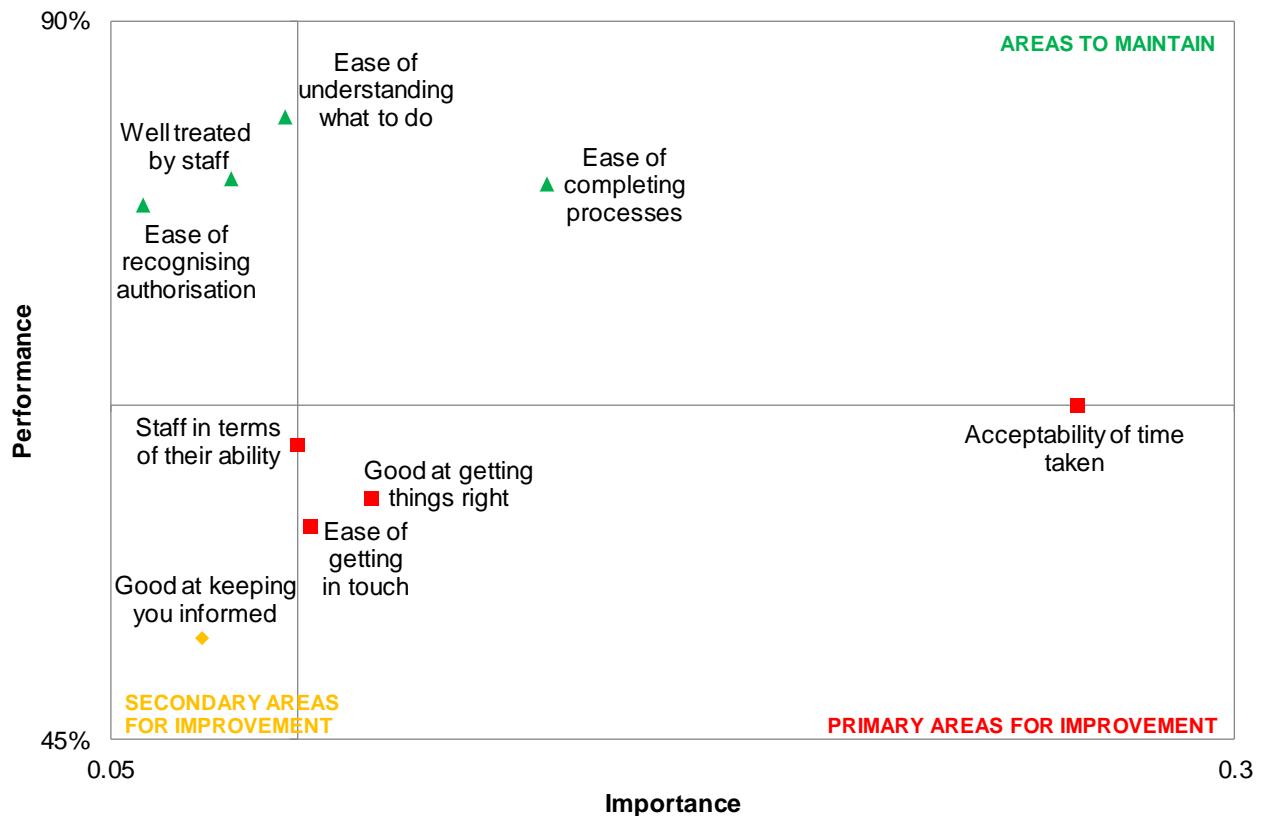
Square markers are used in the bottom right quadrant to signify primary areas for improvement, diamond markers for secondary areas for improvement in the bottom left and triangle markers for areas to maintain in the top right and to a lesser extent in the top left. Primary areas for improvement have a stronger influence on the overall rating of straightforward than secondary areas.

The performance score was high for ease of completing the processes, an area that strongly influences the overall rating of straightforward. This score needs to be maintained to keep the overall straightforward score high. Three other strong performing areas were identified as needing to be maintained: ease of understanding what to do, being well treated by staff, and the ease of recognising authorisation, although these aspects were not as influential on straightforward scores.

In 2013/14 there were four areas identified as primary areas for improvement due to their relatively high influence on straightforward scores: acceptability of time taken, getting things right, the ease of getting in touch and staff ability. Of these, acceptability of time taken had the strongest influence on straightforward scores so should be a key focus for improvement. Importantly, it would not need to improve too much to move into an area to maintain.

One further area was identified as a secondary area for improvement as it was rated slightly lower both in terms of performance and importance, namely keeping the customer informed about progress.

The remainder of this section will focus on measures which have shown significant change over time, or which have been identified as areas for improvement in the key driver analysis to help shed more light on potential areas for improvement.

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[6] R^2 is 0.63 meaning that 63% of the variance can be accounted for in the model.

2.2.8. Simplicity

Simplicity includes three measures designed to find out how easy HMRC makes the experience for their customers, in terms of understanding what to do, completing processes, and getting in touch.

Chart 2.8 Measures of simplicity (%)

Base (c.): All with dealings in last 3 months (from 08/09 to 13/14 n= 6998, 7019, 5747, 2928, 2487, 2324)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◢◣ indicates an increase/decrease between consecutive years
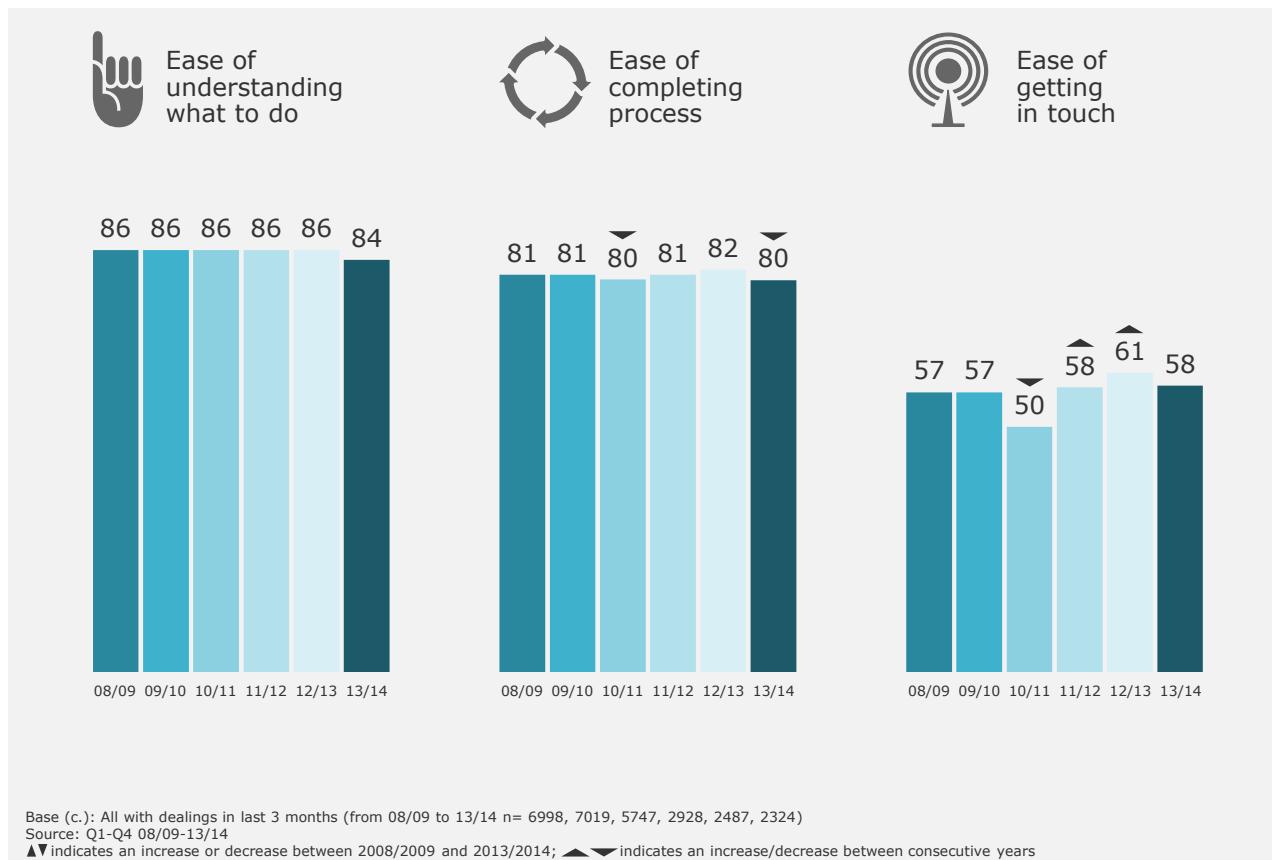
Around eight in ten Agents said it was easy to understand what they needed to do (84%) and that it was easy to complete the process required (80%). Scores for understanding are marginally lower (but in line) with 2012/13, whilst positive scores for the ease of completing the process are slightly but significantly down on the previous year, but also broadly in line with previous years. Despite this, both were identified as strong areas of performance to maintain in the key driver analysis.

Following a significant improvement in the perceived ease of getting in touch in 2012/13, scores declined slightly in 2013/14 to match the performance seen in 2011/12 (58%). The ability to get in touch with HMRC was identified as a key area to improve in the key driver analysis.

To understand the results further and identify the underlying causes of any change we can look at whether ratings differ for different sub-groups. This includes looking at results by product dealt with and exploring any demographic differences.

Ease of getting in touch was rated higher by those dealing with Self Assessment for the self-employed than other products, with 69% rating it positively, in line with scores in 2012/13 (68%). Positive scores for Agents dealing with payroll and national insurance were significantly lower than average in 2013/14 (45%), representing a slight decrease from 51% in 2012/13.

As might be expected, there was a relationship between the number of channels of contact an Agent had used and how positively they rated ease of getting in touch. Those using just one channel of contact were more positive (66%) than those using more than one (53%).

2.2.9. Responsiveness

Customers were asked to rate the responsiveness of HMRC in terms of how good HMRC were at giving them the information they needed, keeping them informed and how well staff treated them.

Chart 2.9 Measures of responsiveness (%)

Base (c.): All with dealings in last 3 months (from 08/09 to 13/14 n= 6238, 6294, 4976, 2559, 2154, 2077)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◣◢ indicates an increase/decrease between consecutive years
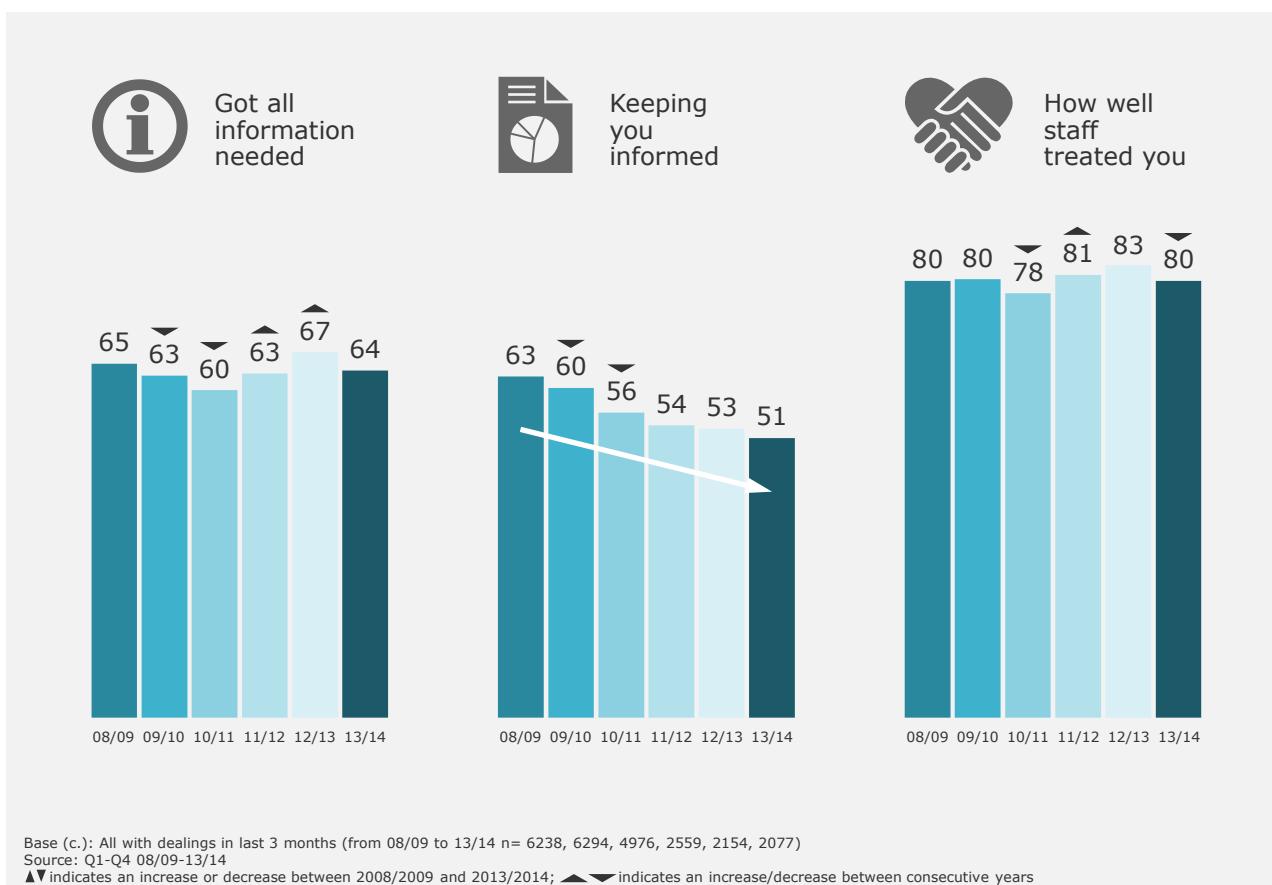
Ratings for getting the information Agents needed remained broadly in line with 2012/13 despite a slight decrease from 67% to 64% in 2013/14, and was not identified as a key area for improvement in the key driver analysis (due to the relative lack of correlation between this measure and scores for straightforward overall). This decrease was, however, more apparent when looking at specific types of dealing. Agents dealing with Self Assessment for PAYE employees (a fall from 68% to 61%) and VAT (a fall from 77% to 69%).

Keeping the customer informed about progress was identified as a secondary area for improvement, and whilst over half of Agents rate this highly, scores have decreased steadily since 2008/09 and fell to 51% in 2013/14.

This decrease was reflected in ratings for specific products, in particular Company Tax (down to 55% from 70% in 2008/09) and payroll and national insurance (down to 50% from 63% in 2008/09). VAT remained the highest rated product to deal with in 2013/14 (57%).

As in previous years, agents who made contact with HMRC as part of their dealing were less likely to rate being kept informed positively (44%), particularly those who made contact by post (39%). Agents using multiple channels of contact were also less positive, with 42% giving this measure a positive rating, compared to 49% of Agents using one channel only.

How well staff treat Agents was a strongly rated dimension of customer experience, with 8 in 10 (80%) rating it positively, in line with the 2008/09 baseline. However, whilst this was identified as an area to

maintain in the key driver analysis, scores were slightly down on the 83% seen in 2013/13. This decrease was most evident amongst Agents dealing with Self Assessment for PAYE employees (78%, down from 87% in 2012/13), although scores for this product were also in line with the 2008/09 baseline.

2.2.10. Reliability and Speed

Ratings of reliability and speed included how good HMRC were at getting things right, how well staff were able to deal with the issues and the acceptability of the time taken to reach a final outcome. The measures for both staff's ability to deal with the issue and the acceptability of time taken were added to the survey in 2011/12.

All three of these measures were identified as primary areas in need of improvement in 2013/14, whilst acceptability of the time taken was identified as the most important driver of straightforwardness.

Chart 2.10 Measures of reliability and speed (%)

Base (c.): All with dealings in last 3 months (from 08/09 to 13/14 n= 6544, 6568, 5286, 2652, 2218, 2156)
Source: Q1-Q4 08/09-13/14
▲▼indicates an increase or decrease between 2008/2009 and 2013/2014; ◢◣indicates an increase/decrease between consecutive years
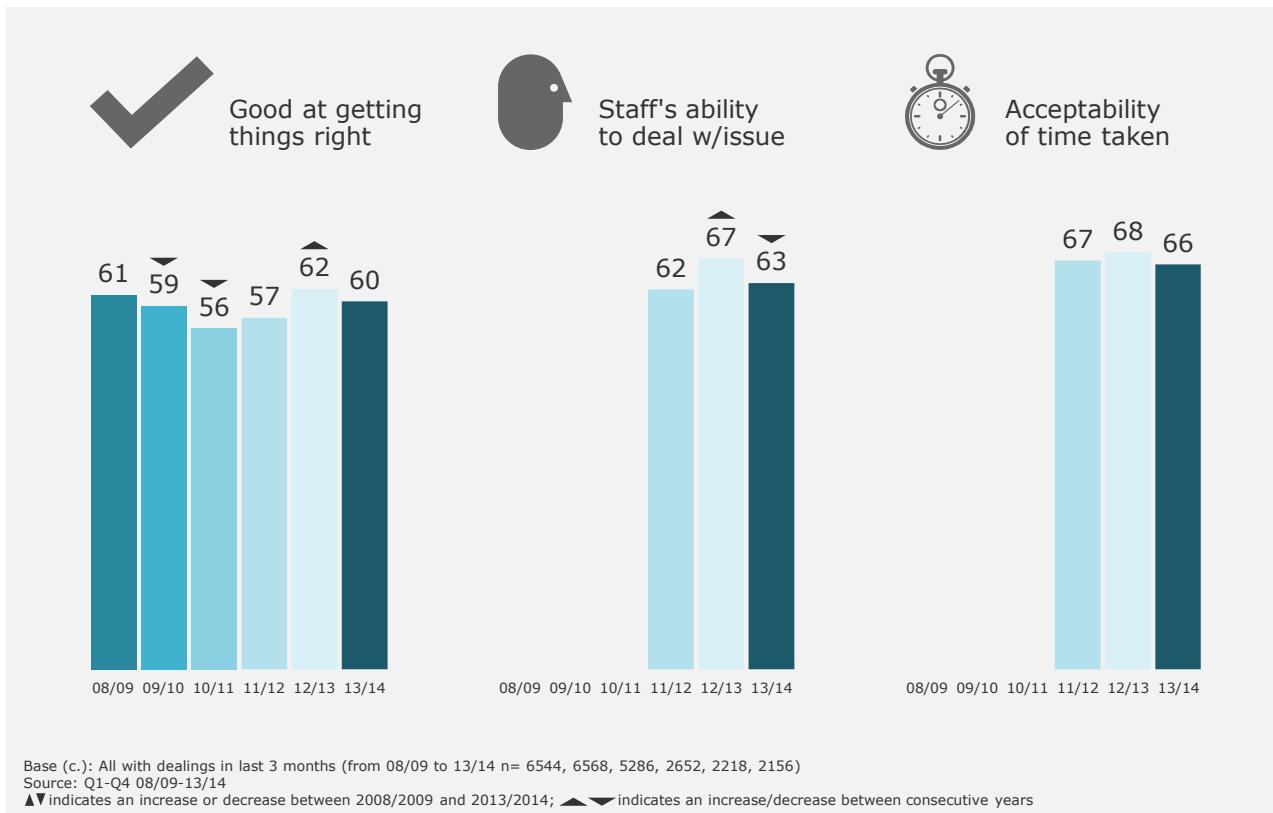
In 2013/14 positive ratings Agents gave for how good HMRC were at getting things right (60%) remained in line with 2012/13 (62%) and the 2008/09 baseline (61%). VAT was the highest rated dealing (70%), whilst dealings with payroll and national insurance had the least number of positive ratings (52%).

Looking at various sub-groups, Agents with fewer clients (72% of those with fewer than 10 clients) and less-experienced Agents (77% of those who had been trading for less than one year) rated HMRC more positively on getting things right. Those who made contact by post were overall less positive (49%).

Following a significant increase in 2012/13, the rating for staff's ability to deal with the issue fell to 63% in 2013/14, in line with 2011/12. Ratings for SA for PAYE employees fell significantly between 2012/13 (69%) and 2013/14 (58%).

Agents dealing with SA for the self employed (69%) and VAT (68%) rated the staff's ability more highly, whilst scores for interactions dealing with SA for PAYE employees and payroll and national insurance

(both 58%) were less positive. Those with fewer clients were also more positive (76% of those with less than 10 clients), whilst those who made contact by post gave lower ratings (53%).

Acceptability of time taken to reach a final outcome was rated positively by 66% of Agents, in line with other years. However a slight fall from 2012/13 means that this has now been identified as a primary area in need of improvement.

Ratings for the acceptability of time taken were higher for those dealing with VAT (74%) and SA for the self employed (70%). Broadly speaking, ratings for most types of dealing remained consistent between 2012/13 and 2013/14 but there was a significant decrease in positive ratings for dealings with payroll and national insurance, from 65% to 55%.

As with the previous measures, sole traders (72%) and those with less than 10 clients (78%) were more positive, while those making contact by post (48%), as well as those using at least two channels of contact (54%) gave lower ratings.

2.2.11. Agent specific measures

Two further measures of customer experience were asked only of Agents. They were the perceived consistency of HMRC and the ease of getting HMRC to recognise an authorisation to deal on behalf of a client (Chart 2.11). The latter was a new measure in 2011/12.

Chart 2.11 Agent specific measures (%)

Base (c.): All with dealings in last 3 months (from 08/09 to 13/14 n= 7129, 7200, 5889, 3001, 2545, 2356)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◢◣ indicates an increase/decrease between consecutive years
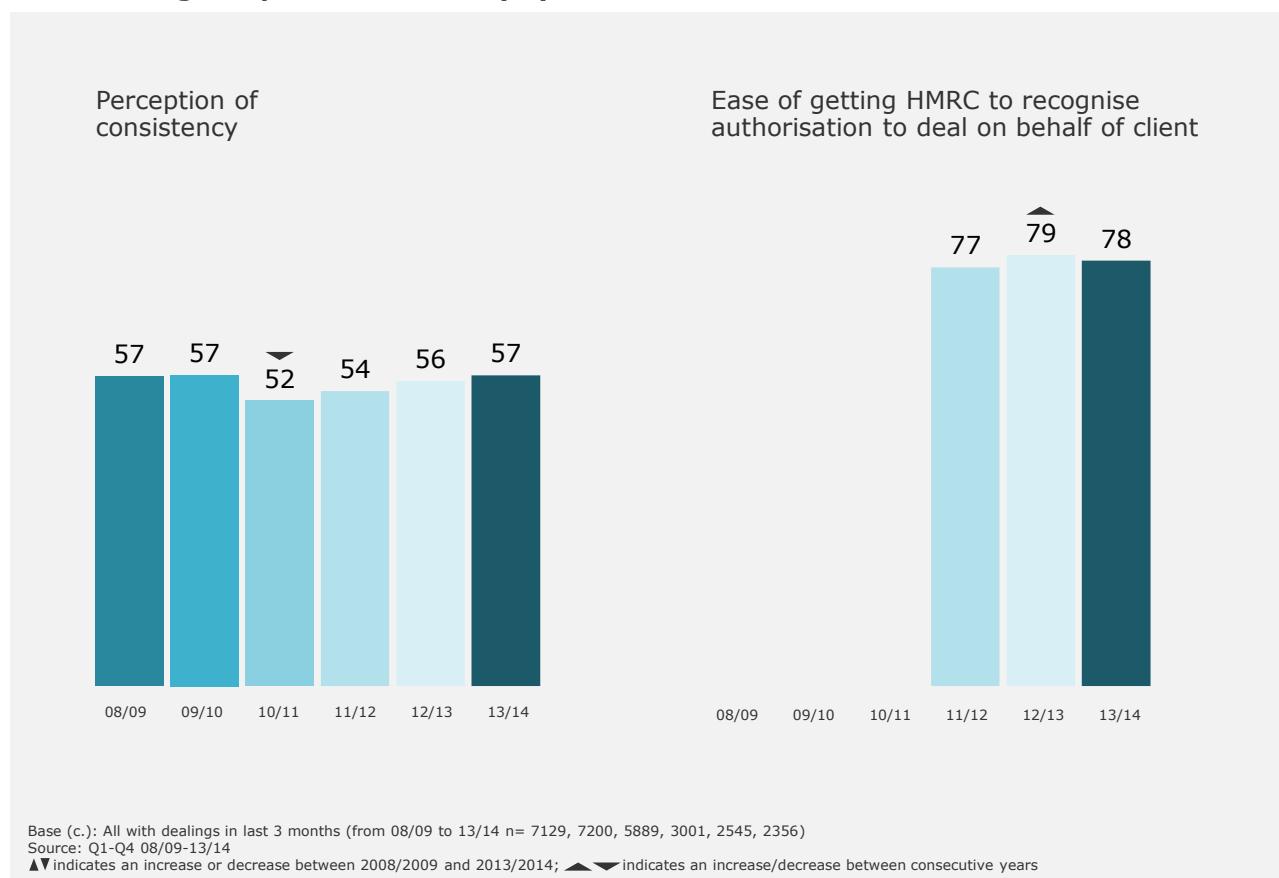
Perceptions of consistency in 2013/14 (57%) remained consistent with 2012/13 (56%) maintaining the recovery seen since a decrease in 2010/11. Scores for all types of dealing remained consistent with 2012/13, with Agents dealing with SA for the self employed being the most positive (60%).

Eight in ten Agents (78%) rated the ease of getting HMRC to recognise their authorisation to deal on behalf of their client positively, in line with scores in 2012/13.

2.3. Reputation

Every second quarter a module is included in the customer survey to measure HMRC's reputation among those who may or may not have had any recent direct dealings with the Department and therefore encompass a broader target population than the customer experience questions.

These questions were developed to provide measures to track HMRC's reputation and to evaluate the performance of its values over time among different audiences. Questions about reputation were asked of a representative sample of customers and not just those who had dealt with HMRC in the previous three months. This means that questions about reputation are not linked to any specific dealings but to customers' general perceptions.

Measurement was integrated within the Customer Survey from 2008, although the measures were substantially changed in 2010/11. This chapter focuses on the findings from 2013/14, and draws on any significant changes from 2010/11 (or 2008/09 where measures have remained unchanged).

2.3.1. Familiarity

It is important to establish familiarity (in conjunction with frequency of dealing with HMRC) to help determine the extent to which opinions of HMRC are likely to be based on experience or other influences such as word of mouth or the media. As Chart 2.12 shows, all Agents felt they knew at least a little about HMRC and the number who felt they knew at least a fair amount remained at the same high level between 2008/09 and 2013/14 (92%).

Chart 2.12 Familiarity (%)

Base: All Agents (from 08/09 to 13/14 n= 2116, 2053, 2051, 3503, 2270, 2271)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◤◥ indicates an increase/decrease between consecutive years
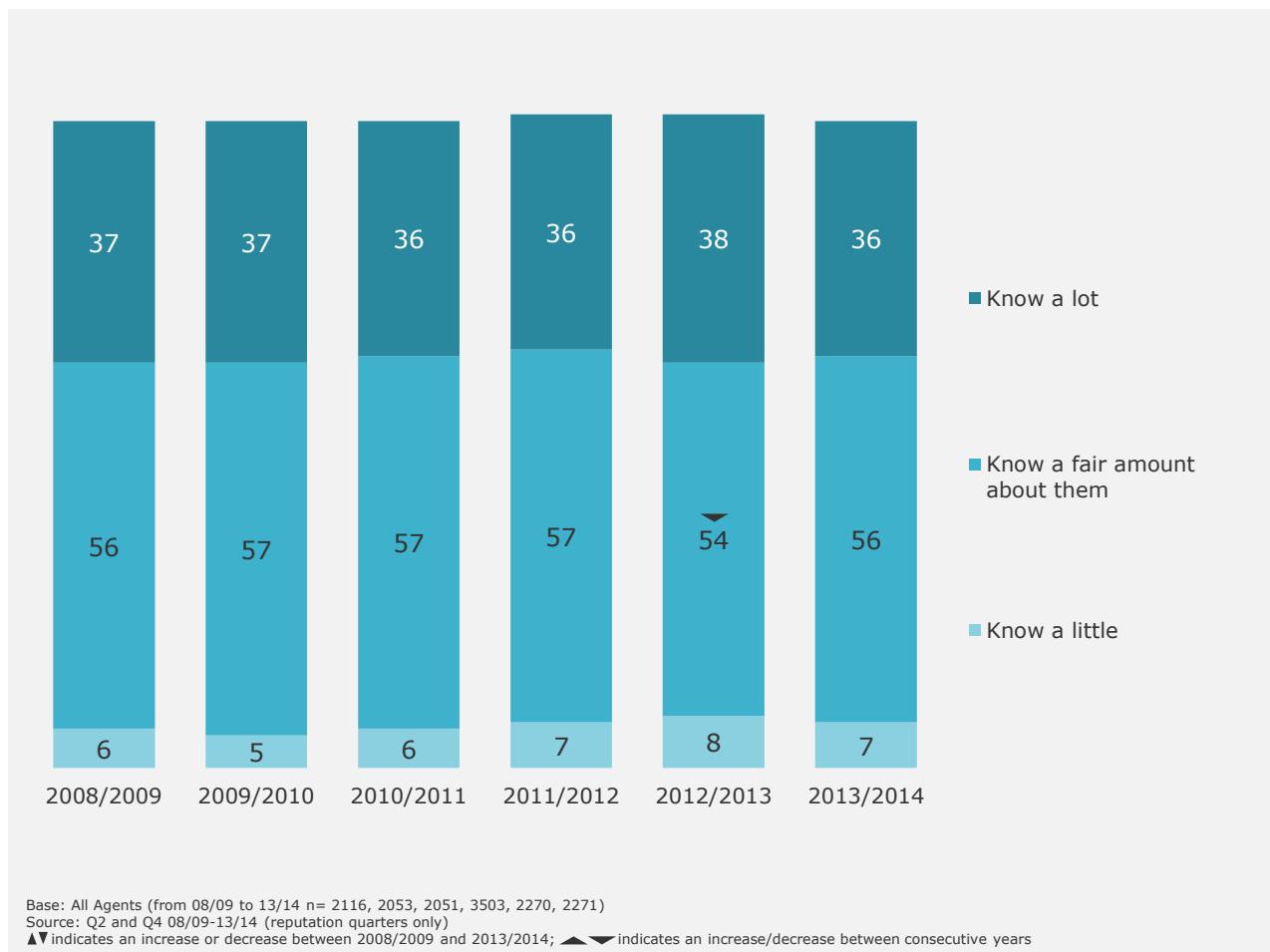
These relatively high levels of familiarity correspond with the level of recent dealings reported in section 2.2.1, where 96% of Agents had dealt with HMRC in the previous three months.

2.3.2. Measures of reputation

The customer survey looks at several additional measures which may well influence the overall reputation of HMRC. Some of these were added in 2010, but where data is available, comparisons will be made with data back to 2008.

2.3.3. Reputation key driver analysis

Key driver analysis was carried out using multivariate analysis of an overall measure (favourability). The final analysis plots importance against performance in a quadrant diagram with relative importance in driving favourability on the horizontal axis and performance on the vertical axis (Chart 2.13). A more detailed description of key driver analysis is in Appendix A.

Chart 2.13 Key drivers of overall favourability[7]
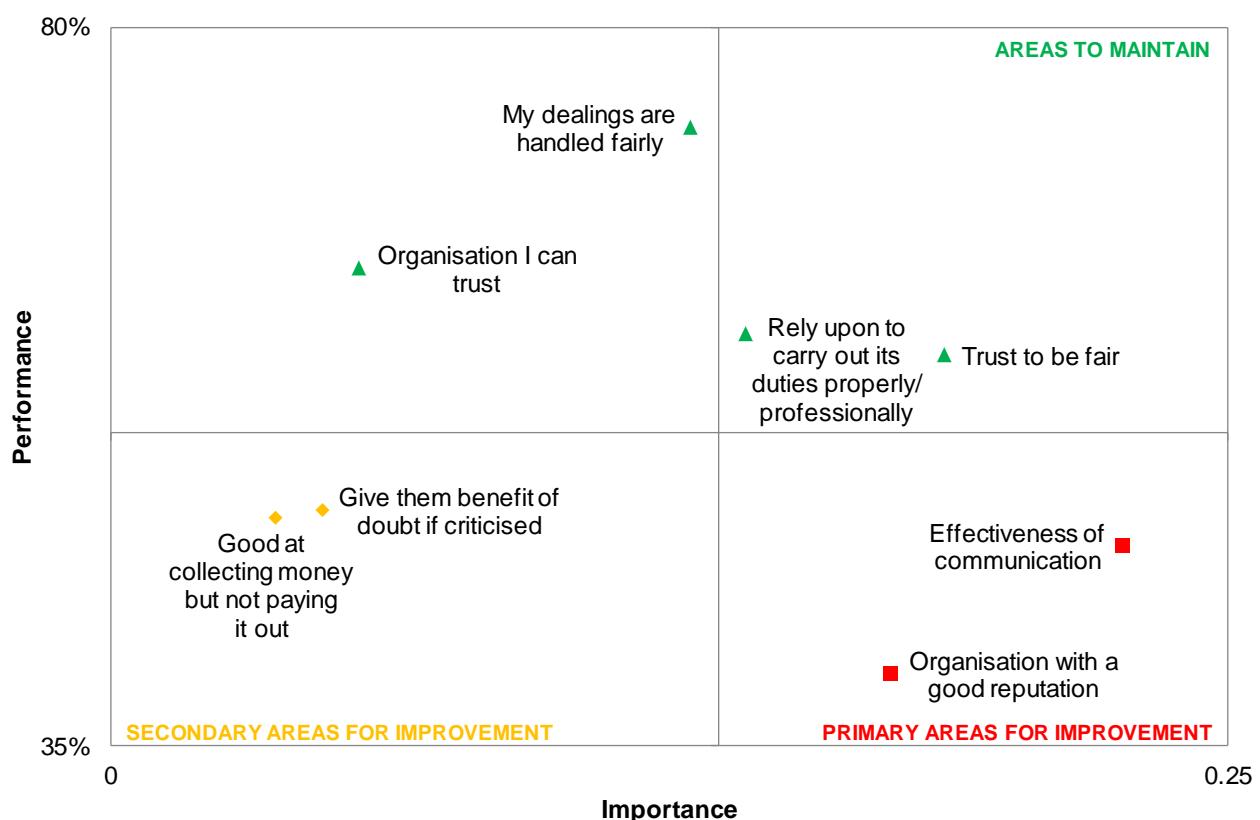
Square markers are used in the bottom right quadrant to signify primary areas for improvement, diamond markers for secondary areas for improvement in the bottom left and triangle markers for areas to maintain in the top right and to a lesser extent in the top left. Primary areas for improvement have a stronger influence on the overall rating of favourability than secondary areas.

Effective communication and being an organisation with a good reputation were rated highly in terms of importance, but relatively low on performance, making them both primary areas for improvement. Based on the Key Driver Analysis, the secondary focus for improvement should cover perceptions that HMRC are good at collecting money but not paying it out and giving HMRC the benefit of the doubt if criticised.

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[7] R^2 is 0.54 meaning that 54% of the variance can be accounted for in the model.

Areas that are rated highly and are important to overall favourability are handling dealings fairly, trusting HMRC to be fair, that HMRC carries out its duties properly and professionally and HMRC being an organisation that can be trusted. These should all be maintained.

2.3.4. Fairness

Fairness includes three measures; the level of trust in HMRC to be fair, the extent to which customer dealings are handled fairly and the extent to which HMRC treats all its customers fairly. Despite slight improvements in 2013/14, ratings for the latter two measures have decreased overall since they were first introduced in 2010/11.

Chart 2.14 Measures of fairness (%)

Base: All who have heard of HMRC (from 08/09 to 13/14 n= 1811, 1779, 1812, 2276, 2264, 2263)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◢◣ indicates an increase/decrease between consecutive years
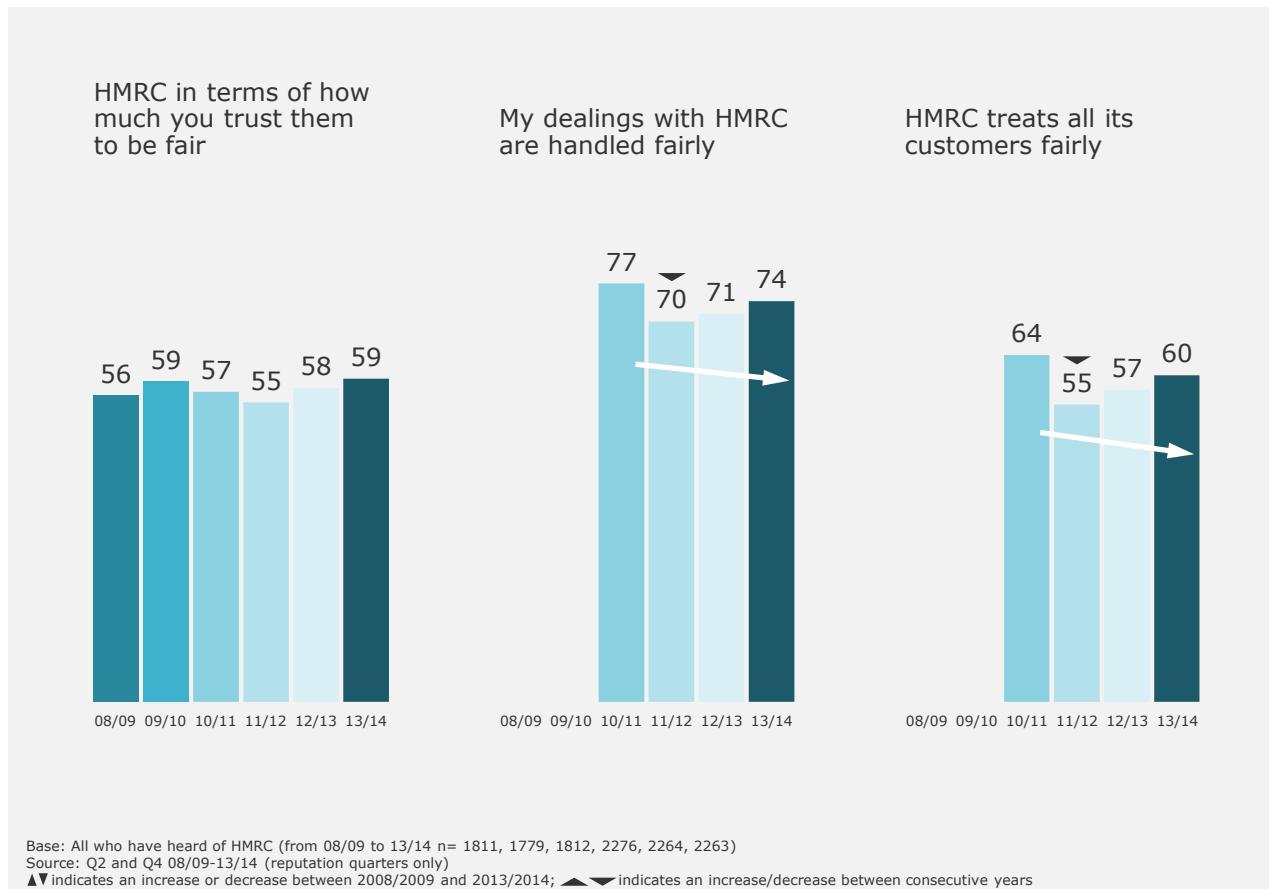
Trusting HMRC to be fair was identified as one of the most important drivers of favourability, and as it is performing relatively well (59%) is an area that should be maintained. Scores have remained consistent since 2008/09 but there is scope for improvement.

The perception that their dealings are handled fairly by HMRC was rated positively by three-quarters of Agents (74%). This represents a slight uplift versus 2012/13 but remains significantly below the baseline figure from 2010/11, when this question was introduced (77%). Six in ten Agents (60%) said that HMRC treated their customers fairly, and despite a slight improvement between 2012/13 and 2013/14, this score remains below the 2010/11 baseline (64%). On both of these measures the downward trend had previously occurred between 2010/11 and 2011/12 and were evident across all types of agents.

2.3.5. Favourability

Favourability includes three measures; HMRC is an organisation I can trust, HMRC is an organisation with a good reputation and overall favourability of opinion and impression. Following consistent declines in

positive ratings in all three measures up to 2011/12 there were signs of improvement in 2012/13, which have continued into 2013/14. The key driver analysis identified HMRC as an organisation with a good reputation as a primary area to improve.

Chart 2.15 Measures of favourability (%)

HMRC is an organisation I can trust

| 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |
65 — 58 — 61 — 65

HMRC is an organisation with a good reputation

| 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |
39 — 31 — 38 — 40

Overall favourable opinion and impression

| 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |
53 — 51 — 45 — 43 — 48 — 49

Base: All who have heard of HMRC (from 08/09 to 13/14 n= 1811, 1779, 1812, 2276, 2264, 2263)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ⬥⬥ indicates an increase/decrease between consecutive years

The perception that HMRC is an organisation that can be trusted was rated positively by almost two-thirds of Agents (65%), a significant improvement on 2012/13. This measure is now rated as an area to maintain in the key driver analysis, having been identified as a secondary focus for improvement in 2012/13.

Smaller agents in particular tended to consider HMRC a trustworthy organisation (76% of those with fewer than 10 clients). Similarly smaller Agents were more inclined to rate HMRC as an organisation with a good reputation (50% of those with fewer than ten clients, falling to 34% of those with over 1000 clients).

Overall favourability was the only favourability measure to have been asked since 2008/09. Following several years of decline between 2008/09 (53%) and 2011/12 (43%) there was a recovery in 2012/13 (48%), which has been maintained in 2013/14 (49%). However, this remains below the baseline level. As would be expected given the trends seen for the previous two favourability measures, smaller Agents gave more positive ratings for overall favourability (61% of those with fewer than ten clients, falling to 38% of those with over 1,000 clients).

2.3.6. Trust

Trust includes three measures; HMRC can be relied upon to carry out its duties properly and professionally, HMRC can be relied upon to act with honesty and integrity and HMRC can be relied upon to look after customer's interests (Chart 2.15).

Chart 2.16 Measures of trust (%)

HMRC carries out its duties properly and professionally

08/09	09/10	10/11	11/12	12/13	13/14
	61	51	56		61

HMRC acts with honesty and integrity

08/09	09/10	10/11	11/12	12/13	13/14
77	76	76	71	68	74

HMRC looks after customer's interests

08/09	09/10	10/11	11/12	12/13	13/14
		40	34	39	41

Base: All who have heard of HMRC (from 08/09 to 13/14 n= 1811, 1779, 1812, 2276, 2264, 2263)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ▲▼ indicates an increase/decrease between consecutive years

Ratings for two trust measures, perceptions of carrying out duties properly and professionally (61%), and reliability to act with honesty and integrity (74%), improved significantly between 2012/13 and 2013/4. This brought both measures back in line with their respective baseline figures.

In the key driver analysis, the perception of carrying out duties properly and professionally was identified as an area to maintain in 2012/13, so a significant improvement represents a strong performance. Smaller firms (77% with fewer than 10 clients compared to 53% with over 1,000) were more likely to rate this measure positively, as were book-keepers (73%).

Similarly when looking at how well HMRC can be relied upon to act with honesty and integrity smaller firms continued to be very positive (83% with fewer than 10 clients) but there was no clear correlation with size for this measure as ratings amongst larger firms were also high (79% with more than 1,000 clients).

The final trust measure, reliability of looking after customer's interests, declined between 2010/11 and 2011/12 before recovering in 2012/13 (39%). Scores in 2013/14 remain in line with last year (41%) indicating that this recovery in performance has been maintained. Once again smaller Agents (54% of agents with fewer than 10 clients) gave the most positive ratings.

2.3.7. Communications and stories

The communications theme comprises two measures; effectiveness of communication and HMRC protects my business information, while the stories theme is represented by the measure 'HMRC are good at collecting our money but not at paying it out' (Chart 2.16). The first of these measures was identified as a primary area to improve in the key driver analysis.

Chart 2.17 Measures of communications and stories (%)

How effective HMRC are at communicating: 08/09: 55, 09/10: 54, 10/11: 46 ▼, 11/12: 38 ▼, 12/13: 46 ▲, 13/14: 48

HMRC protects my business' information: 08/09: 55, 09/10: 62 ▲, 10/11: 67 ▲, 11/12: 67, 12/13: 73 ▲, 13/14: 72

HMRC are good at collecting money but not paying it out*: 10/11: 48, 11/12: 50, 12/13: 51, 13/14: 49

*Response scale for this question is reversed so a lower score indicates a positive attitude
Base: All who have heard of HMRC (from 08/09 to 13/14 n= 1813, 1779, 1812, 1135, 1164, 1131)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ▲▼ indicates an increase/decrease between consecutive years

Both communications measures, effectiveness of communication and HMRC protects business information have been asked since 2008/09. Positive ratings for effectiveness of communication recovered somewhat to 46% in 2012/13 following a decrease the previous year. This recovery continued in 2013/14 with positive ratings at 48%. This is, however lower than the 2008/09 baseline (55%). In contrast, positive scores for HMRC protects my business' information have improved since 2008/09 (from 55% to 72%). Agents with fewer than ten clients (67%) were more likely to give a positive rating for effectiveness of communication.

Ratings for HMRC are good at collecting our money but not at paying it out remained at a similar level between 2010/11 and 2013/14 (49%). The response scale for this question was reversed so a lower score indicates a positive attitude. Smaller agents were more likely to give a lower (i.e. more positive) score on this measure (37% of those with fewer than ten clients, increasing to 69% of those with at least 1,000 clients).

2.3.8. Support, compliance and other

The remaining reputation measures were ones of support (I would give HMRC the benefit of the doubt if they were criticised), compliance (it's not a big deal to pay your taxes late) and the extent to which HMRC treat customers as honest. Giving HMRC the benefit of the doubt was identified as a secondary area for improvement in the KDA.

Chart 2.18 Measures of support, compliance and other (%)

It's not a big deal to pay your taxes late*

Give HMRC the benefit of the doubt if they were criticised

HMRC treat customers as honest*

It's not a big deal to pay your taxes late*
- 08/09: —
- 09/10: —
- 10/11: 23
- 11/12: 17
- 12/13: 21
- 13/14: 19

Give HMRC the benefit of the doubt if they were criticised
- 08/09: —
- 09/10: —
- 10/11: 46
- 11/12: 44
- 12/13: 47
- 13/14: 50

HMRC treat customers as honest*
- 08/09: 50
- 09/10: 50
- 10/11: 50
- 11/12: 41
- 12/13: 46
- 13/14: 48

*Response scale for this question is reversed so a lower score indicates a positive attitude
Base: All who have heard of HMRC (from 08/09 to 13/14 n= 1813, 1779, 1836, 1141, 1165, 1135)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2010/2011 and 2013/2014; ◢◤ indicates an increase/decrease between consecutive years

Between 2010/11 and 2013/14 ratings for 'it's not a big deal to pay your taxes late' have remained consistently low, with 19% agreeing with this statement in 2013/14. This represents a generally positive attitude in this area.

Ratings for giving HMRC the benefit of the doubt if criticised also remained consistent between 2010/11 and 2013/4, with half of agents (50%) willing to give HMRC the benefit of the doubt. Book-keeping firms were more likely to give HMRC the benefit of the doubt (50%).

There was a decline in 2011/12, in ratings of whether HMRC treat their customers as honest which recovered in 2012/13 (46%) and has continued in 2013/14 (48%). This slight increase brought scores back into line with the 2008/09 baseline.

3.
SME

3.1. Executive summary

3.1.1. Customer Experience

Nature of dealings

■ The majority of customers recalled some dealings with HMRC in the past year (94%), with 61% having dealt with HMRC in the previous three months.

Dimensions of Customer Experience

■ More than eight in ten SME (84%) rated the overall experience of dealing with HMRC as very or fairly straightforward, whilst only 10% gave a negative rating.
■ The expectation that dealing with HMRC would be straightforward was high (81%), and in general those expectations were met.
■ SME businesses were generally positive about HMRC across all dimensions of experience, and in particular:
    ■ in the areas of simplicity: ease of understanding what to do (82%), and ease of completing the process (84%)
    ■ in one area of responsiveness: how well they were treated by staff (83%); and
    ■ in one area of reliability and speed: acceptability of time taken (81%).

■ The remaining measure of simplicity, ease of getting in touch, was rated less well by SME (70%). Ratings decreased between 2009/10 and 2010/11 but have remained fairly stable since.

Key Driver Analysis

The aim of the key driver analysis was to understand the underlying drivers of ratings of straightforward[8]. It identifies the relative influence of each dimension of experience on the overall measure, and provides insight into the areas that need to be prioritised for improvement to keep overall ratings of straightforward high.

■ The key driver analysis identified four secondary areas for improvement. Two measures related to responsiveness (ensuring the customer got the information needed and keeping the customer informed), and one related to simplicity (ease of getting in touch). Ratings for these three measures have decreased since 2008/09.
■ The fourth measure identified for improvement was staff's ability, relating to reliability and speed. This was introduced in 2011/12, and ratings have remained consistent over this time.

3.1.2. Reputation
■ Despite an increase in ratings in 2013/14 for many reputation measures, most have still declined in the longer term.
■ Ratings of overall favourability decreased from 64% in 2008/09 to 60% in 2013/14.

Key driver analysis was also performed to derive the relative importance of each of the reputation measures on overall favourability and to find out what may help to reverse this decrease.
■ Ratings were generally positive in areas which were important to overall favourability, but there were two areas identified as primary areas for improvement; effectiveness of communication and trust in HMRC to be fair. Ratings for effectiveness of communication have decreased since 2008/09 (from 77% to 68% in 2013/14), whereas scores for trust in HMRC have remained fairly stable across this period (69% in 2013/14).
■ Areas identified as having secondary importance were being relied upon to look after customers interests (down from 68% in 2010/11 to 62% in 2013/14), and being an organisation with a good

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[8] "Straightforward" in this context refers to the single overall measure: how straightforward was your recent experience of dealing with Revenue and Customs?

reputation, which has increased from 56% in 2012/13 to 60% in 2013/14, but remains below the 2010/11 baseline (64%).

■ Declines in ratings were apparent across all types of SME, so the focus should be on halting the overall declines, particularly on measures identified above as areas for improvement.

3.2. Customer experience

3.2.1. The nature of dealings

To put the ratings of customer experience into context, it is necessary to understand the nature of these dealings in terms of the specific taxes customers have dealt with, the types of dealings they have had and the channels of contact they have used.

3.2.2. Taxes dealt with

Almost all SME (94%) recalled having dealt with HMRC in the last year. As Chart 3.1 shows, 61% of SME had dealt with HMRC in the previous three months.

In order to increase representativeness, there was a change of sampling approach in 2011 to include more SME operating below the VAT threshold. Due to this change, tests for significant differences have not been performed on the results prior to 2011/12. It is likely that changes in the level of dealings with VAT, PAYE and general queries are as a result of the change in sampling approach.

Between 2012/13 and 2013/14 there was no change in the level of dealings by SME customers overall. The only significant change in the level of dealings for specific products was a decrease in that of VAT (35%, from 38% in 2012/13).

Chart 3.1 Products dealt with in the last three months (%)

Base: Base: All customers (from 08/09 to 13/14 n=4622, 4426, 4241, 3351, 5209, 5298)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◤◥◢◣ indicates an increase/decrease between consecutive years
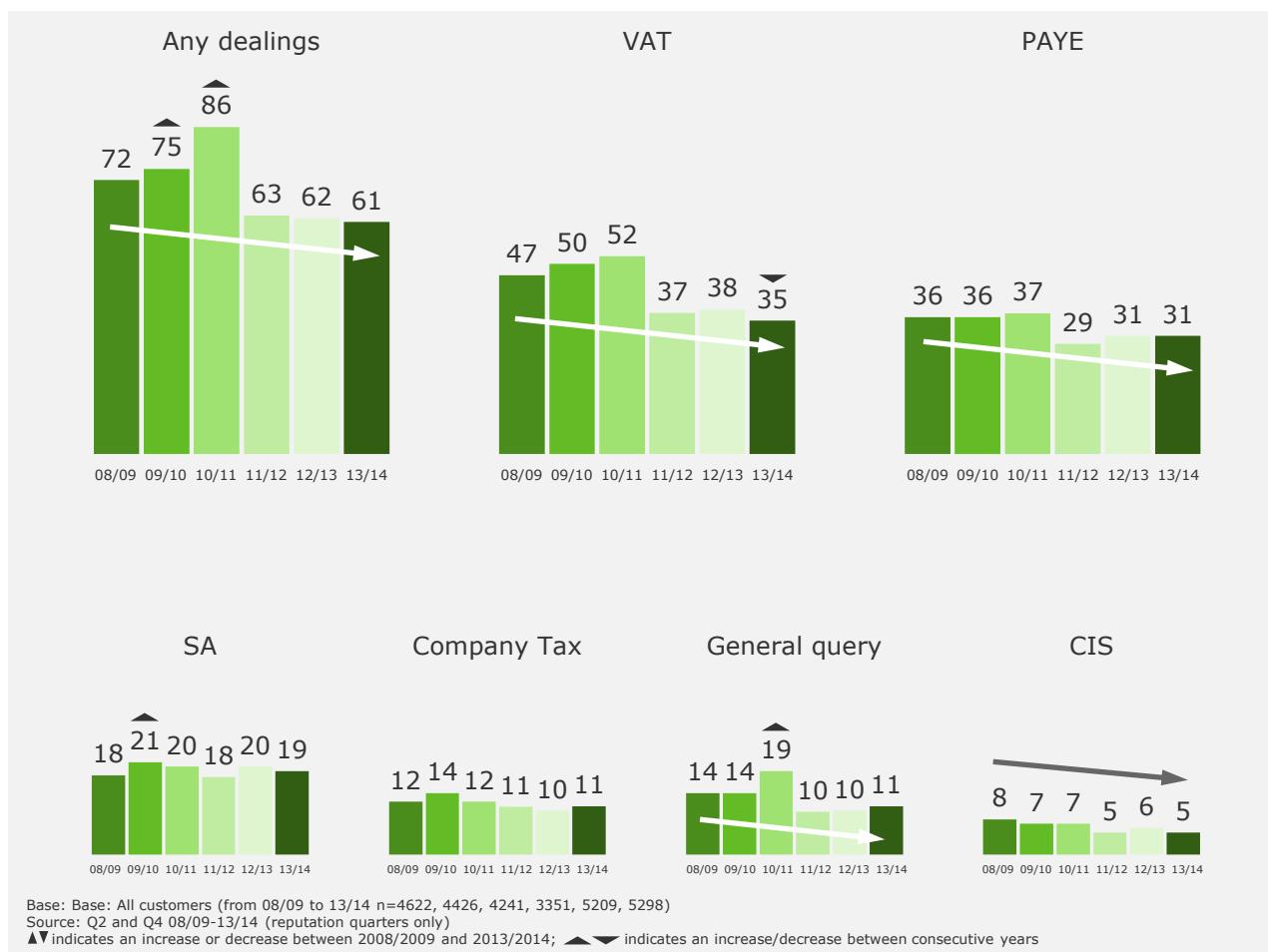
3.2.3. Types of dealings

Of SME customers who had dealt with HMRC in the previous three months, most reported a variety of dealings about the tax selected for them[9], as shown in Chart 3.2.

The most frequently reported dealings for SME businesses were having submitted a form or return (63%) and having made a payment (62%). More than half (59%) of SME who reported having a dealing within the previous three months had visited the website, whilst four in ten had received contact from HMRC (40%). A similar percentage (39%) had made contact with HMRC.

Due to changes to the sampling approach, tests for significant differences have not been performed on results prior to 2011/12. Trends in the data could indicate relative change but these should be treated with caution.

Between 2012/13 and 2013/14, there was a decline in the number of SME who made a payment (from 67% to 62%). Aside from this, there were no significant changes in the types of dealings taking place in the last three months.

Chart 3.2 Types of dealings in the last three months (%)

Base: All customers with dealings in last 3 months (from 08/09 to 13/14 n=8112, 7983, 7288, 4299, 3491, 3628)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ⬆⬇ indicates an increase/decrease between consecutive years

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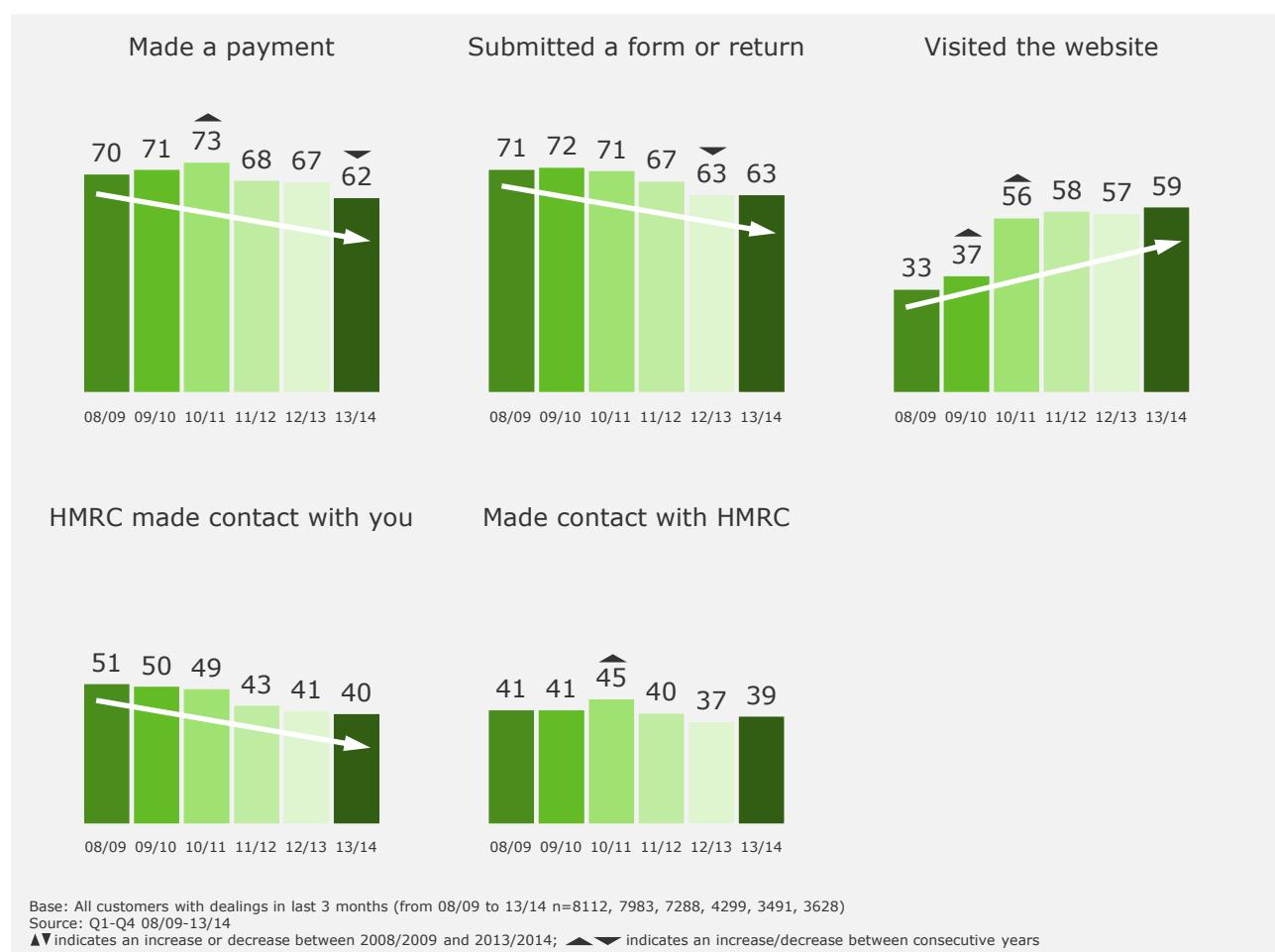
[9] For respondents dealing with more than one type of tax, one was selected at random as the subject of all further customer experience questions.

3.2.4. Channels of contact

Methods of contact can influence the customer experience. Only those who reported *making* contact with HMRC were asked which channel they used. Of SME businesses with dealings in the previous three months, 39% reported contacting HMRC in relation to their dealing.

The internet/website and telephone were the most frequently used methods for SME businesses contacting HMRC (70% and 69% of those making contact respectively). Contact by post, email, through a third party or visiting a tax office were reported at much lower levels (Chart 3.3).

The only significant changes since then were an increase in the use of the internet/website (70%, from 64% in 2012/13) and email (9%, from 7% in 2013/14) and a decrease in the use of the telephone, from 75% (2012/13) to 69% (2013/14).[10]

Chart 3.3 Channels of contact in the last three months (%)

Telephone

08/09	09/10	10/11	11/12	12/13	13/14
79	81	78	76	75	69

Internet

08/09	09/10	10/11	11/12	12/13	13/14
49	53	66	66	64	70

Post

08/09	09/10	10/11	11/12	12/13	13/14
26	24	20	19	16	15

Through 3rd party

08/09	09/10	10/11	11/12	12/13	13/14
5	5	4	3	3	3

Email

08/09	09/10	10/11	11/12	12/13	13/14
7	7	9	7	7	9

Visiting tax office

08/09	09/10	10/11	11/12	12/13	13/14
5	5	3	2	2	1

Base: All customers with dealings in last 3 months who made contact (from 08/09 to 13/14 n=3556, 3522, 3422, 1806, 1343, 1506)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ▲▼ indicates an increase/decrease between consecutive years

Many SME customers used more than one method to contact HMRC regarding their most recent dealing (56% of those making contact). Where customers only used one method, this was most likely to be the telephone (46%) or the internet (44%).

In 2011/12, a series of new questions were added to put dealings in to further context. Amongst customers who had used more than one method to contact HMRC, the first channel used was most likely

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[10] Due to changes to the sampling approach, tests for significant differences have not been performed on results prior to 2011/12.

to be the internet 60%, with the telephone the next most likely channel (31%). This is in line with 2012/13 and 2011/12 (Chart 3.4).

These findings suggest that an increasing number of SME now tend to use the internet instead of the telephone to contact HMRC. This is in line with HMRC's Digital by default strategy, of encouraging internet usage.

Chart 3.4 First channel of contact (%)

Base: All customers with dealings in last 3 months who use multiple channels (from 11/12 to 13/14 n=1100, 742, 1506)
Source: Q1-Q4 11/12-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◄► indicates an increase/decrease between consecutive years
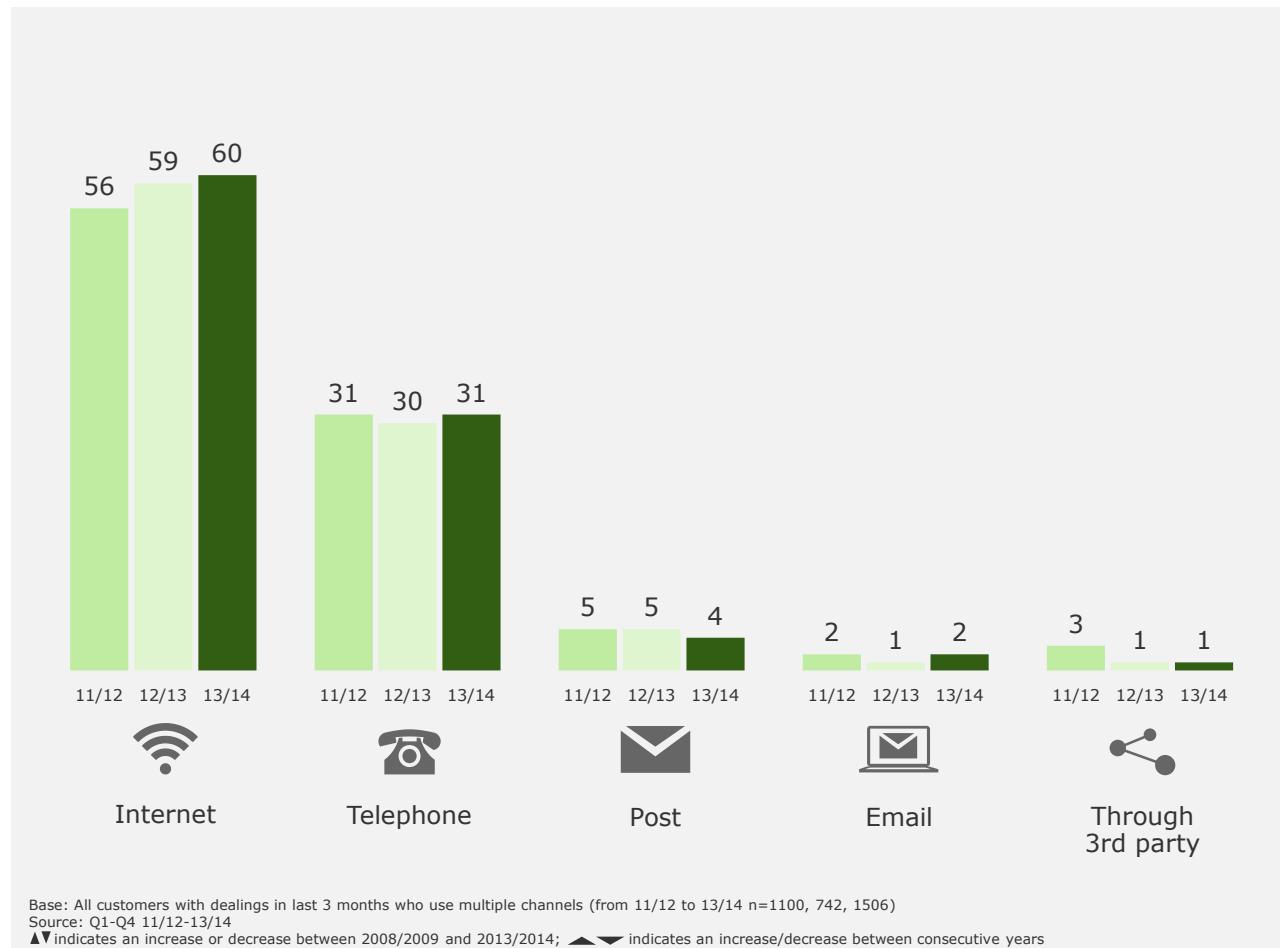
The most frequently mentioned reason for using an alternative channel was that customers did not get the information they required at the first attempt (35%). One in ten customers sought confirmation or reassurance (11%), in line with 2012/13 (12%). In contrast, significantly fewer people said that they had only used the web to get information before using a main method (6%, from 12% in 2012/13) whilst significantly more said that they had changed to an easier method (9%, from 5% in 2012/13) or that they wanted to deal with someone face-to-face or over the phone (5% from 2% in 2012/13). Of those using more than one channel, most customers said that the number of times they were in contact with HMRC was acceptable (71%).

3.2.5. Overall ratings of customer experience
Overall ratings of the customer experience can be strongly influenced by two factors: satisfaction with the outcome, and prior expectations. For example, if two customers receive the same level of service, but one gains financially and the other loses, then the customer who gains financially is likely to rate the service more positively.

To encourage customers to focus on their experience of the service they received when dealing with HMRC and minimise the influence of outcomes on the ratings they gave, they were first asked to rate their satisfaction with the final outcome of their dealings, and then asked to put the outcome aside, and rate how straightforward their dealing was.

Prior to Q4 2010/11 rather than rate how straightforward their dealing was, customers were asked to rate their overall experience, so the 2011/12 measure of straightforward forms a new baseline. In addition, a new question was added to the survey in Q2 2011/12 asking customers to state what their expectation of straightforwardness was before their dealings began (this question was asked before the more detailed experience questions).

Chart 3.5 Overall ratings and expectation of customer experience (%)

Base: All customers with dealings in last 3 months (from 08/09 to 13/14 n=7416, 7304, 6762, 4055, 3356, 3456)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase/decrease between consecutive years
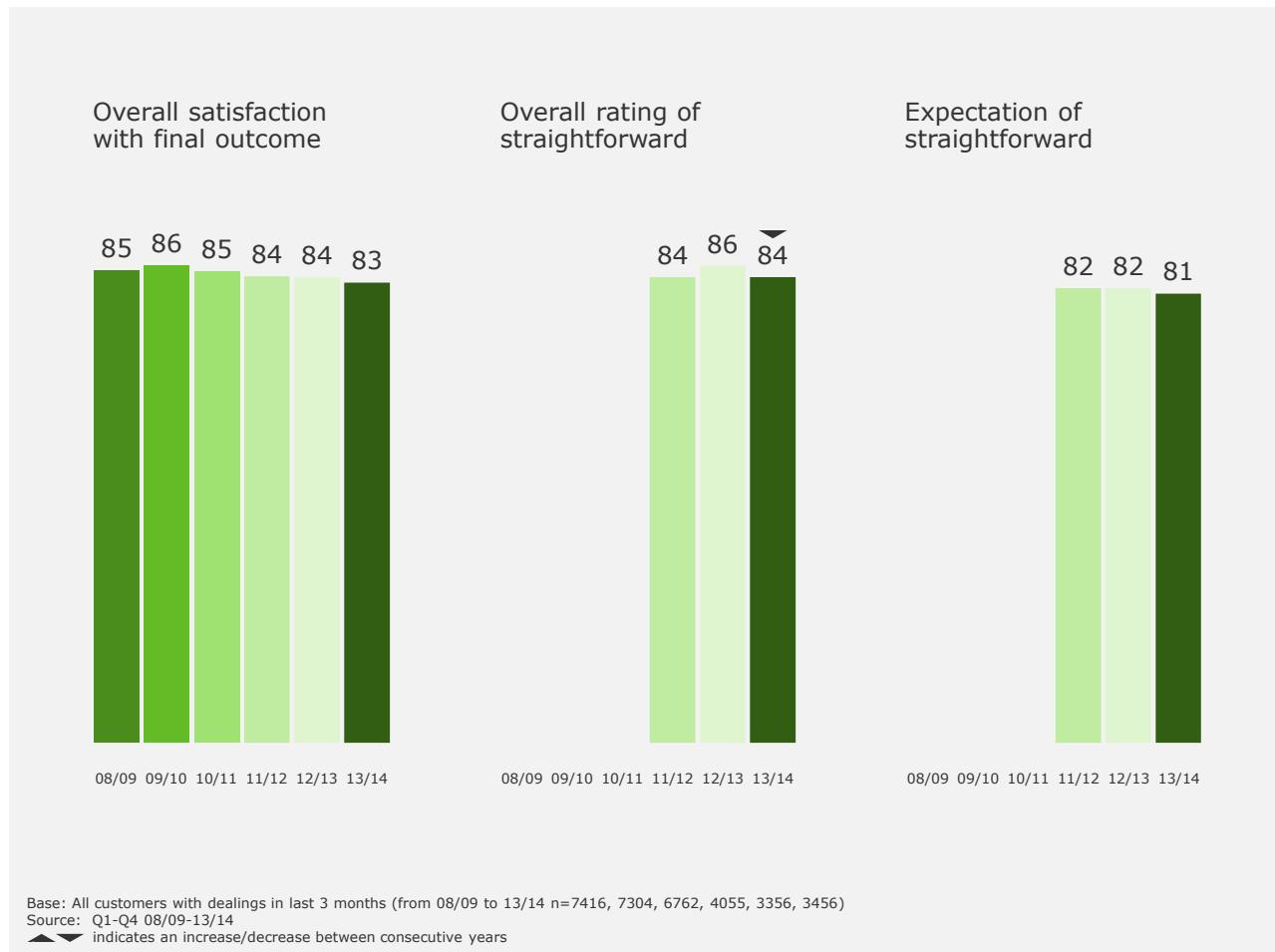
Over eight in ten SME customers said their experience was very or fairly straightforward (84%). This is a significant decrease from 2012/13 (86%), but brings the score back into line with the baseline level (84% in 2011/12). Only one in ten (10%) gave a negative rating.

Satisfaction with the final outcome rated equally highly, with 83% very or fairly satisfied. Overall satisfaction has remained at a consistent level since 2008/09.

For ratings of straightforward, there was some difference dependent upon the tax dealt with. Significantly more positive ratings were given for VAT (91%) and PAYE and NI (80%) than for all ratings combined, whilst ratings for those dealing with a general query were significantly lower (70%).

Customers were further asked whether their experience was more or less straightforward or in line with expectations (Chart 3.6).

Chart 3.6 Experience of straightforwardness against expectations (%)

Base: All customers with dealings in last 3 months (from 11/12 to 13/14 n= 4183, 3491, 3628)
Source: Q1-Q4 11/12-13/14
▲▼indicates a significant difference between consecutive years; ➡️ indicates a significant difference between 2011/2012 and 2013/2014

Seven in ten (71%) said that their experience was in line with their expectations.

As last year, there was a strong relationship between experience compared with expectations and the overall rating of straightforward. For SME who rated their experience as very or fairly straightforward, three quarters (76%) said it was in line with expectations. Amongst those who rated their experience neutrally or negatively, half (50%) said that it was in line with their expectations, whilst 44% said that it was less straightforward than expected.

3.2.6. Dimensions of customer experience
Whilst the overall ratings of customer experience give a general picture, it is essential to look in more detail at particular dimensions of the experience in order to ascertain what may be driving customer ratings and to identify key areas for action. The dimensions of customer experience were introduced in section 1.5.2.

3.2.7. Key driver analysis
Key driver analysis (KDA) was carried out using multivariate analysis of the overall rating of straightforwardness. The final analysis plots importance against performance in a quadrant diagram (Chart 3.7) with relative importance in driving the overall straightforward rating on the horizontal axis and performance on the vertical axis. A more detailed description of key driver analysis is in Appendix A.

Square markers are used in the bottom right quadrant to signify primary areas for improvement, diamond markers for secondary areas for improvement in the bottom left and triangle markers for areas to maintain in the top right and to a lesser extent in the top left. Primary areas for improvement have a stronger influence on the overall rating of straightforward than secondary areas. This analysis shows no primary areas of improvement.

Chart 3.7 Key drivers of straightforwardness[11]
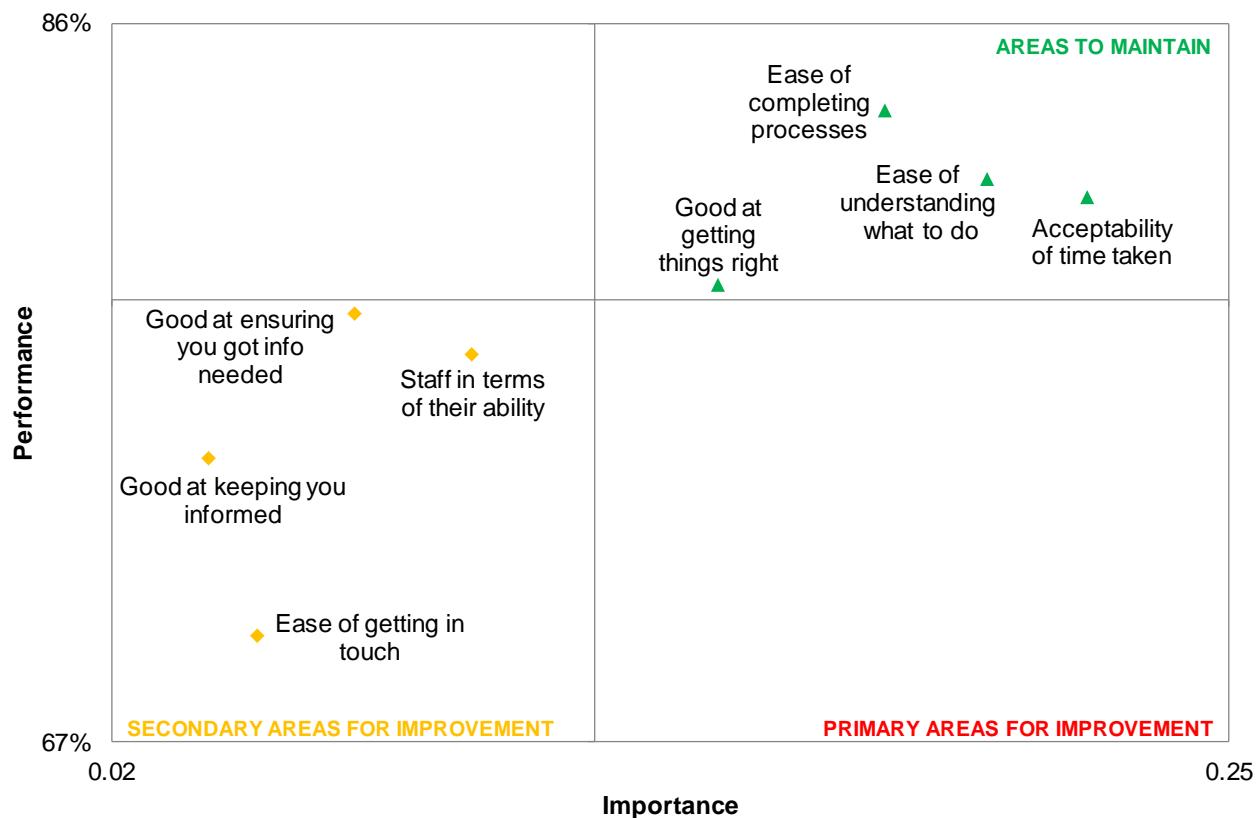
Performance scores were high across areas that had a large influence on the overall rating of straightforward: the acceptability of time taken, ease of understanding, ease of completing the process and getting things right. These areas need to be maintained to keep the overall rating of straightforward high. Notably, there were no primary areas for improvement. This indicates that the most important measures driving ratings of straightforward all performed strongly in 2013/14.

Secondary areas for improvement, those that scored lower both in terms of importance and performance, were the ease of getting in touch, keeping the customer informed, the ability of staff, and getting the information needed. Ease of getting in touch had the lowest performance score.

The remainder of this section focuses upon measures that have been identified as areas for improvement in the key driver analysis or that have been shown significant change over time, in order to help establish potential areas for improvement.

3.2.8. Simplicity
Simplicity includes three measures designed to find out how easy HMRC makes the experience for their customers, in terms of understanding what to do, completing processes and getting in touch.

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[11] R^2 is 0.63 meaning that 63% of the variance can be accounted for in the model.

Chart 3.8 Measures of simplicity (%)

Base: All customers with dealings in last 3 months (from 08/09 to 13/14 n=7608, 7436, 6906, 4103, 3343, 3471)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014;   ◢◣ indicates an increase/decrease between consecutive years
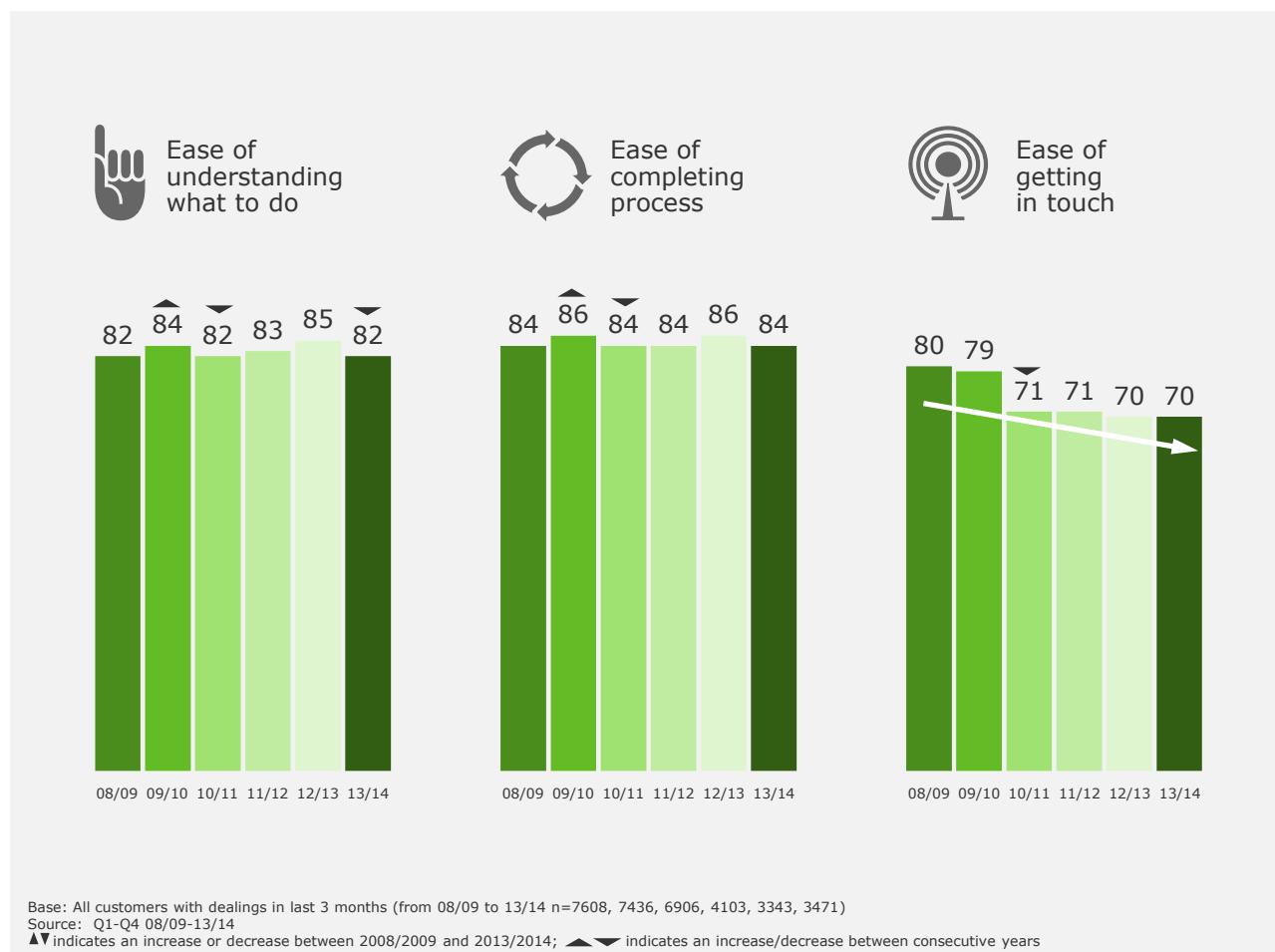
More than eight in ten SME customers felt that it was easy to understand what they needed to do in relation to their dealings (82%), a significant decrease since 2012/13 (85%). A similar proportion felt that it was easy to complete the process (84%), which is in line with ratings since 2008/09. Both measures remain important areas of performance to maintain.

Contrary to the other two measures of simplicity, perceived ease of getting in touch has decreased since 2008/09 (from 80% to 70%). It has, however, remained at a consistent level since 2010/11, with the decrease occurring between 2009/10 and 2010/11. This was identified as a secondary area to improve in the key driver analysis, and was the measure with the lowest performance score overall.

To understand the results further and identify the underlying causes of any change we can look at whether ratings differ for different sub-groups. This includes looking at results by product dealt with and exploring any demographic differences.

Ratings for ease of getting in touch decreased for dealings with all products between 2008/09 and 2013/14, and this decrease was significant for VAT, PAYE/NI and general queries across taxes. Dealings with VAT were rated highest across all products (79% down from 83% in 2008/09). Notably, ratings for both this and PAYE/NI have remained fairly stable since 2010/11.

SME customers who had only used one channel of contact were more positive than average (76%), whereas those who had used more than one channel were less positive (62%).

3.2.9. Responsiveness

Customers were asked to rate the responsiveness of HMRC in terms of how good HMRC were at giving them the information they needed, keeping them informed and how well staff treated them.

Chart 3.9 Measures of responsiveness

Base: All customers with dealings in last 3 months (from 08/09 to 13/14 n=5870, 5841, 5478, 3555, 2789, 3003)
Source: Q1-Q4 08/09-13/14
▲▼indicates an increase or decrease between 2008/2009 and 2013/2014; ◢◣ indicates an increase/decrease between consecutive years
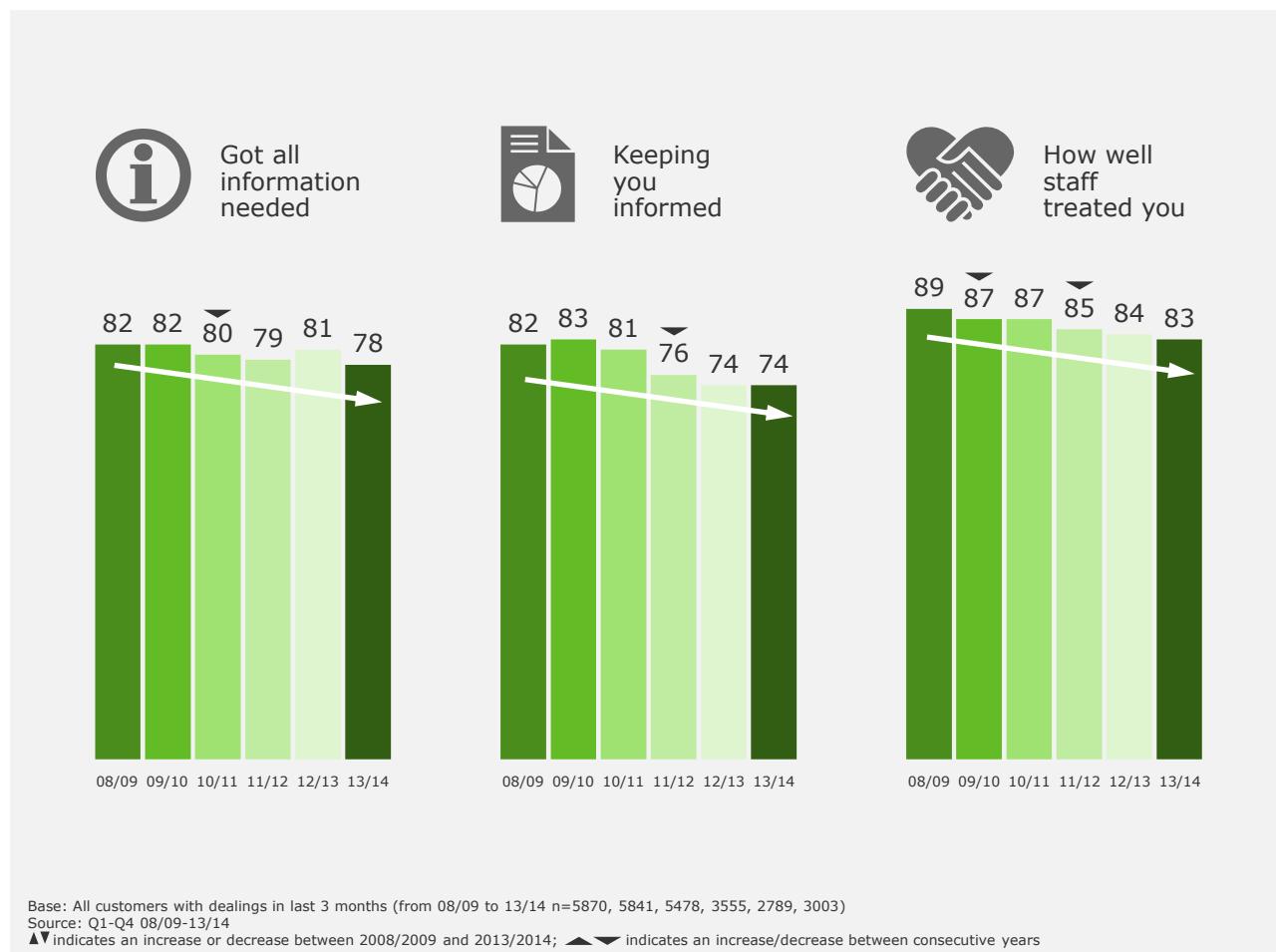
Performance scores for getting all the information you need has decreased this year (from 81% to 78%), and is significantly lower than in 2008/09 (82%). There was little variation by subgroup, but those who had a general query across taxes (67%) rated this significantly less positively than ratings for all dealings combined. This has also been identified as a secondary area for improvement in the key driver analysis.

Ratings for the other two measures of responsiveness – keeping the customer informed and how well staff treated the customer – have remained in line with performance scores in 2012/13, although both have declined significantly since 2008/09. Keeping the customer informed about progress was identified as a secondary area for improvement in the key driver analysis.

Between 2008/09 and 2010/11, how good HMRC was at keeping the customer informed about progress was rated highly by eight in ten SME businesses. This decreased to 74% in 2012/13, and has remained at this level in 2013/14. However, being kept informed of progress was rated lower for SME customers whose dealings involved making contact with HMRC (67%).

This long-term decrease has been driven through dealings with PAYE/NI (71% from 85% in 2008/09). In contrast to this, ratings for this measure for SA for the self-employed or partnership increased significantly between 2012/13 and 2013/14 to 84%, bringing it back in to line with 2008/09 levels, and making it the highest rated product for this measure.

The final measure of responsiveness, how well HMRC staff treated the customer, was one of the dimensions rated relatively highly by SME. However, there has been a downward trend over the longer term, decreasing from 89% in 2008/09 to 83% in 2013/14.

Significant decreases occurred for ratings of PAYE/NI (83% from 91% in 2008/09), and for general queries across taxes (81% from 91% in 2008/09).

3.2.10. Reliability and Speed

Ratings of reliability and speed included how good HMRC were at getting things right, the staff in terms of their ability to deal with the issues, and the acceptability of time taken to reach a final outcome. In the key driver analysis both the acceptability of time taken and getting things right were identified as areas of strong performance which should be maintained. Staff's ability to deal with the issue was a secondary area for improvement. The measures for both staff's ability to deal with the issue and the acceptability of time taken were added to the survey in 2011/12.

Chart 3.10 Measures of reliability and speed (%)

Base: All customers with dealings in last 3 months (from 08/09 to 13/14 n=6517, 6410, 5945, 3497, 2756, 3036)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◣◢ indicates an increase/decrease between consecutive years
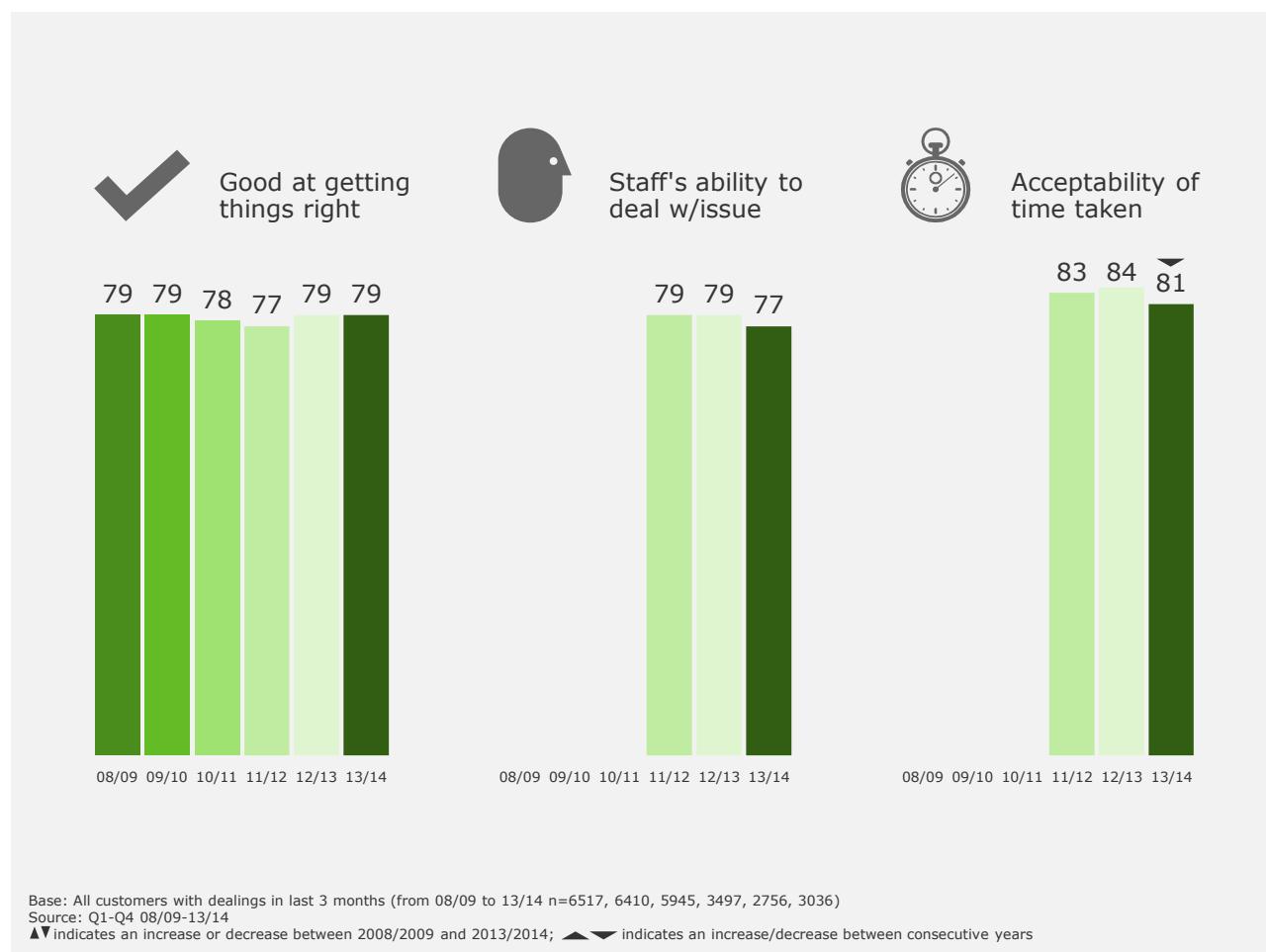
Ratings for how good HMRC were at getting things right have remained consistent between 2008/09 and 2013/14 (79%). This measure has also been identified as an area to maintain in the key driver analysis.

Those who had dealings with SA for the self-employed or partnerships (87%) or VAT (86%) were significantly more likely to score this measure positively, whilst significantly less positive ratings were given for dealings with PAYE/NI (74%) and general queries across taxes (67%). Lower than average scores were also given by those who made contact with HMRC (74%), and for those who used more than one channel of contact (69%).

Three in four (77%) SME customers rate staff's ability to deal with the issue positively, in line with scores from previous years. Of those who only used one channel to contact HMRC, 83% scored staff's ability positively, whilst 75% of those who used more than one channel did so.

Acceptability of time taken to reach the final outcome was rated more positively (81%), but this represented a significant decrease from 2012/2013. Those who had dealings with VAT were more positive (88%), whilst those who had general queries across a number of taxes were less so (62%). Those whose dealings involved them making contact with HMRC were also less positive (73%), particularly those using more than one channel of contact (65%). This measure has again been identified as a strong area of performance to maintain in the key driver analysis.

3.3. Reputation

Every second quarter (Q2 and Q4) a module is included in the customer survey to measure HMRC's reputation among those who may or may not have had any recent direct dealings with the Department and therefore encompass a broader target population than the customer experience questions.

These questions were developed to provide measures to track HMRC's reputation and to evaluate the performance of its values over time among different audiences. Questions about reputation were asked of a representative sample of customers and not just those who had dealt with HMRC in the previous three months. This means that questions about reputation are not linked to any specific dealings but to customers' general perceptions.

Measurement was integrated within the Customer Survey from 2008, although the measures were substantially changed in 2010/11. This chapter focuses on the findings from 2013/14, and draws on any significant changes from 2012/13 and the relevant 2008/09 or 2010/11 baseline, dependent upon when the measure was introduced.

3.3.1. Familiarity

It is important to establish familiarity (in conjunction with frequency of dealing with HMRC) to help determine the extent to which opinions of HMRC are likely to be based on experience or other influences such as word of mouth or the media.

SME customers reported a moderate level of familiarity with HMRC. Although the vast majority knew at least a little (94%), fewer than one in ten felt they knew a lot about HMRC (7%).

Chart 3.11 Familiarity (%)
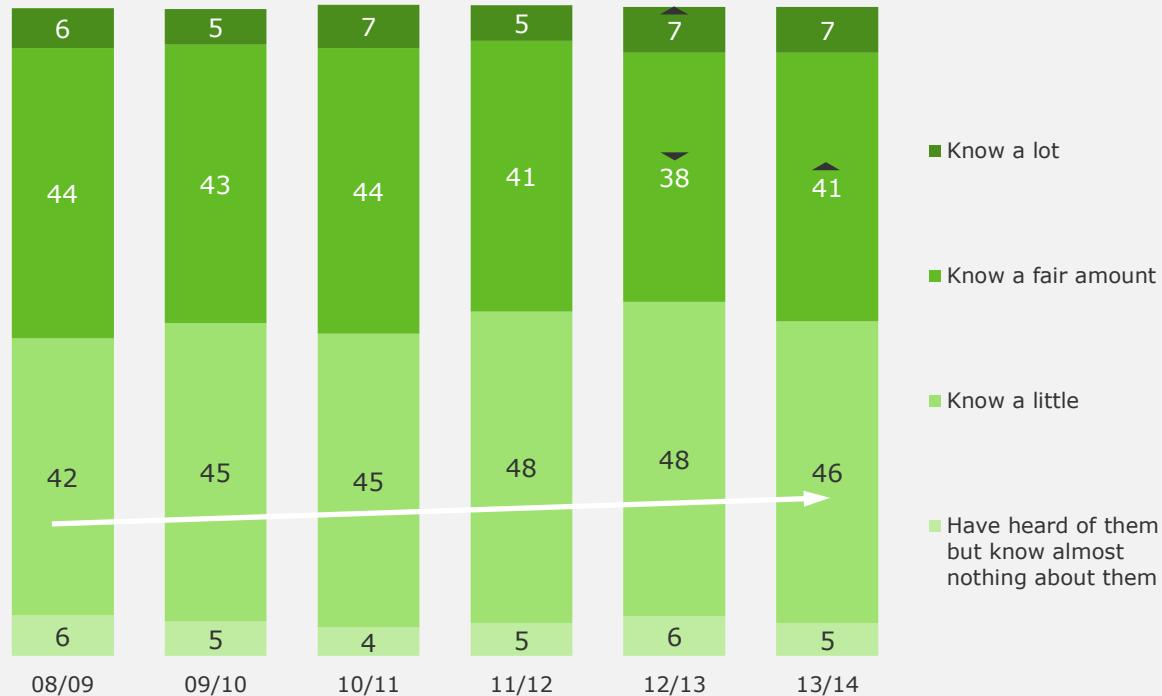
Base: All individuals (from 08/09 to 13/14 n=2116, 2053, 2051, 3503, 3600, 3601)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◢◣◤◥ indicates an increase/decrease between consecutive years

There has been little change between 2008/09 and 2013/14. However, in 2013/14, there was a significant increase in the number of SME businesses who felt they knew a fair amount about HMRC (41%, up from 38% in 2012/13).

Levels of familiarity with HMRC correspond with the level of recent dealings reported in Section 3.2.1, where 61% of SME had dealt with HMRC in the previous three months. Of those who had dealt with HMRC in the previous three months, 56% said they knew a lot or a fair amount about them, compared to 39% who had not had a recent dealing. Overall, 48% of SME customers knew a lot or a fair amount about HMRC.

3.3.2. Measures of reputation
The customer survey looks at several additional measures which may well influence the overall reputation of HMRC. Some of these were added in 2010, but where data is available, comparisons will be made with data back to 2008.

3.3.3. Key driver analysis
Key driver analysis was carried out using multivariate analysis of an overall measure (favourability). The final analysis plots importance against performance in a quadrant diagram with relative importance in driving favourability on the horizontal axis and performance on the vertical axis (Chart 3.12). A more detailed description of key driver analysis is in Appendix A.

Chart 3.12 Key drivers of overall favourability[12]
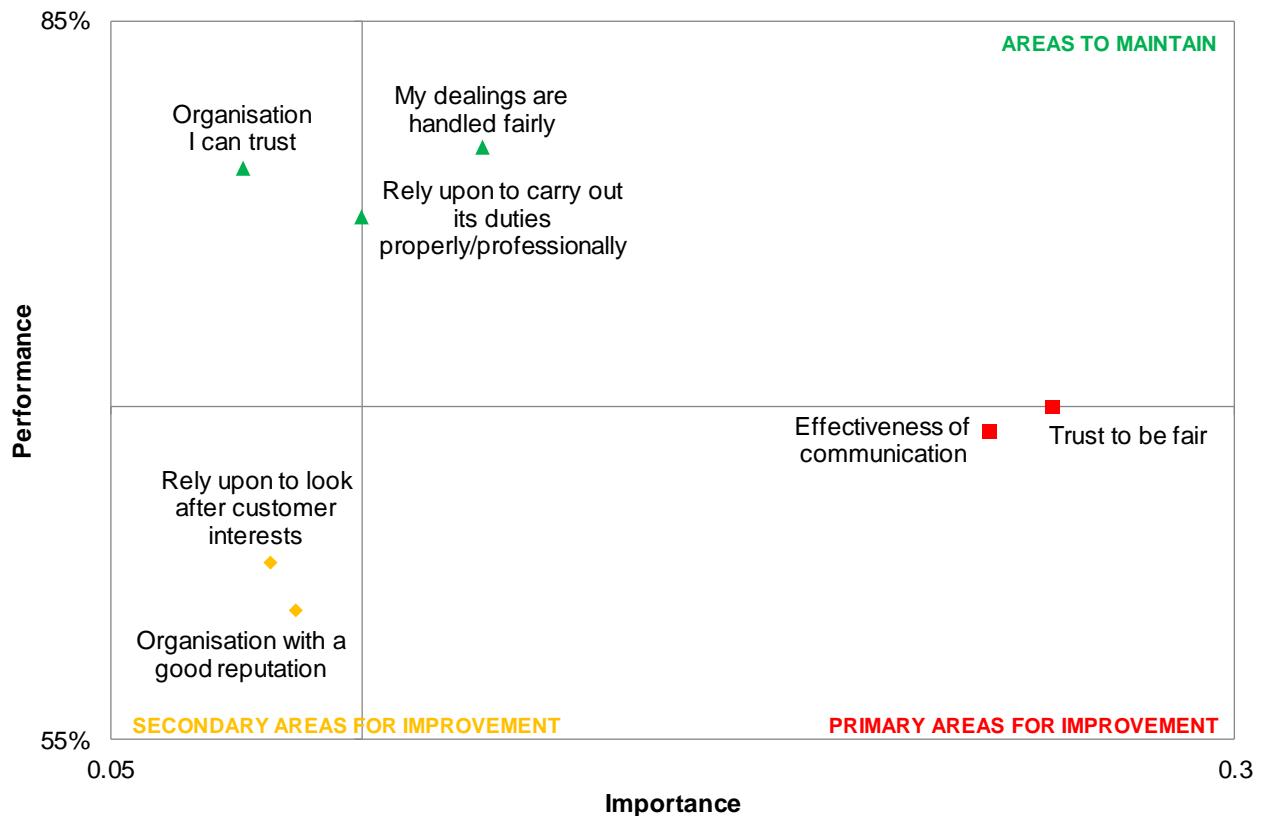
Square markers are used in the bottom right quadrant to signify primary areas for improvement, diamond markers for secondary areas for improvement in the bottom left and triangle markers for areas to maintain in the top right and to a lesser extent in the top left. Primary areas for improvement have a stronger influence on the overall rating of favourability than secondary areas.

Handling dealings fairly and whether customers can rely upon HMRC to carry out its duties properly and professionally were identified as important areas where HMRC is performing well, and as such, should be maintained.

The key areas identified for improvement were the effectiveness of communication and SME customers trusting HMRC to be fair. These are both important areas, but where performance is currently relatively poor. Secondary areas for improvement were HMRC having a good reputation and being relied upon to look after customer interests; these being areas where performance is seen to be poorest.

3.3.4. Fairness

Fairness includes three measures: trust in HMRC to be fair, and agreement that my dealings are handled fairly and HMRC treats all its customers fairly. Whilst trust in HMRC to be fair has remained broadly stable, the other two measures have both seen decreases since they were first introduced. It is important to note that customers' perception that their dealings are handled fairly was identified in the key driver analysis as an area to maintain, whilst trust in HMRC to be fair was identified as a key area for improvement.

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[12] R^2 is 0.48 meaning that 48% of the variance can be accounted for in the model.

Chart 3.13 Measures of fairness (%)

HMRC in terms of how much you trust them to be fair

08/09	09/10	10/11	11/12	12/13	13/14
70	68	69	66	67	69

My dealings with HMRC are handled fairly

08/09	09/10	10/11	11/12	12/13	13/14
	85	81	79		80

HMRC treats all its customers fairly

08/09	09/10	10/11	11/12	12/13	13/14
	75	67	64		66

Base: All individuals who have heard of HMRC (from 08/09 to 13/14 n=2095, 2032, 2037, 3479, 3569, 3563)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◢◣ indicates an increase/decrease between consecutive years

Of these three fairness measures, trust in HMRC to be fair is the only one to have been asked since 2008/09 and, over this period, performance ratings have remained broadly stable. There was little variation by subgroup, although sole traders rated this more positively than average (72%).

The perception that their dealings are handled fairly by HMRC was rated positively by eight in ten SME businesses (80%). This has decreased since the question was introduced in 2010/11 (85%). Agreement that HMRC treats all its customers fairly has also decreased since the measure was introduced (66% in 2013/14, from 75% in 2010/11). As with trust in HMRC, there were few significant differences between subgroups, although sole traders rated both measures more positively than average, with 84% agreeing that dealings are handled fairly, and 70% that HMRC treats its customers fairly.

3.3.5. Favourability

Favourability includes three measures: HMRC is an organisation I can trust; HMRC is an organisation with a good reputation; and overall favourability of opinion and impression. All three measures have seen decrease in positive ratings since they were first introduced. The key driver analysis identified the perception that HMRC is an organisation that I can trust as an area to maintain, whilst agreement that HMRC is an organisation with a good reputation was identified as a secondary area for improvement.

Chart 3.14 Measures of favourability (%)

HMRC is an Organisation I can trust

	08/09	09/10	10/11	11/12	12/13	13/14
			81	75 ▼	74	79 ▲

HMRC is an organisation with a good reputation

	08/09	09/10	10/11	11/12	12/13	13/14
			64	55 ▼	56	60 ▲

Overall favourable opinion and impression

	08/09	09/10	10/11	11/12	12/13	13/14
	64	62	61	58	59	60

Base: All individuals who have heard of HMRC (from 08/09 to 13/14 n=2095, 2032, 2037, 3479, 3569, 3563)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014;   ▲▼ indicates an increase/decrease between consecutive years

Eight in ten SME customers rated the perception that HMRC is an organisation that can be trusted positively (79%), a significant increase from 2012/13 (74%). Agreement that HMRC is an organisation with a good reputation has also significantly increased this year (60%, from 56% in 2012/13), but remains below the 2010/11 score of 64%. SME customers who are self-employed gave more positive ratings for HMRC being an organisation with a good reputation (64%), whilst those who are not were less positive (55%). Otherwise, there were no notable differences by subgroup for either measure.

Of the favourability measures, overall favourable opinion and impression is the only measure to have been asked since 2008/09. Within this period, ratings have decreased steadily from 64% (2008/09) to 60% in 2013/14, although no significant differences have been identified between any two consecutive years. The decrease was particularly evident for customers who have had recent dealings with HMRC (60% in 2013/14 down from 67% in 2008/09).

3.3.6. Trust

There are three measures of trust – whether HMRC can be relied upon to carry out its duties properly and professionally, whether HMRC can be relied upon to act with honesty and integrity, and whether HMRC can be relied upon to look after customers' interests (Chart 3.15). Whether HMRC can be relied upon to carry out its duties properly and professionally was identified as an area to maintain in the key driver analysis, whereas whether HMRC can be relied upon to look after customers' interests was identified as a secondary area for improvement.

Chart 3.15 Measures of trust (%)

HMRC carries out its duties properly and professionally

08/09	09/10	10/11	11/12	12/13	13/14
		82	▼74	75	77

HMRC acts with honesty and integrity

08/09	09/10	10/11	11/12	12/13	13/14
79	79	▲83	▼79	76	▲80

HMRC looks after customer's interests

08/09	09/10	10/11	11/12	12/13	13/14
		68	▼60	60	▲62

Base: All individuals who have heard of HMRC (from 08/09 to 13/14 n=2095, 2032, 2037, 1733, 1766, 1760)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◣◢ indicates an increase/decrease between consecutive years

Ratings for both how well HMRC carries out its duties properly and professionally and how much HMRC can be relied upon to look after customers' interests have both fallen since 2010/11. Ratings for how well HMRC can be relied upon to act with honesty and integrity have remained broadly in line with 2008/09 scores with minor fluctuations.

SME customers' perceptions of how well HMRC carries out its duties properly and professionally has decreased from 82% in 2010/11 to 77% in 2013/14. This decrease took place between 2010/11 and 2011/12, with no further change since.

Ratings for how well HMRC can be relied upon to act with honesty and integrity returned to 2008/09 levels in 2013/14 (80%), following an increase to 83% in 2010/11. This is also a significant increase from 2012/13 (76%).

The third trust measure, perceptions that HMRC can be relied upon to look after customers' interests, significantly increased in 2013/14 to 62%, although this remains below the 2010/11 baseline (68%). Self-employed SME customers rated this measure significantly more positively than average (67%), whilst those who are not scored this as significantly below average (55%).

3.3.7. Communications and stories
The communications theme is comprised of two measures – the effectiveness of HMRC's communication and agreement that HMRC protects my business information. Agreement that HMRC are good at collecting money but not paying it out forms the stories theme (Chart 3.16).

Chart 3.16 Measures of communications and stories (%)

How effective HMRC are at communicating

08/09	09/10	10/11	11/12	12/13	13/14
77	73	70	67	69	68

HMRC protects my business' information

08/09	09/10	10/11	11/12	12/13	13/14
62	68	72	67	67	69

HMRC are good at collecting money but not paying it out *

08/09	09/10	10/11	11/12	12/13	13/14
		41	38	37	36

* Response scale for this question is reversed so a lower score indicates a positive attitude

Base: All individuals who have heard of HMRC (from 08/09 to 13/14 n=1933, 1884, 1858, 3131, 3258, 3255)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼indicates an increase or decrease between 2008/2009 and 2013/2014; ▲▼ indicates an increase/decrease between consecutive years

Ratings for the effectiveness of HMRC's communication have decreased from 77% in 2008/09 to 68% in 2013/14. This has been driven by those who are not self-employed, who rated the effectiveness of communication significantly less positively than SME businesses overall (62% compared with 68%). This has also been identified as a key area for improvement in the key driver analysis. In contrast to this, ratings for HMRC protects my business information have increased from 62% in 2008/09 to 69% in 2013/14.

Since the measure of agreement that HMRC are good at collecting money but not paying it out was introduced, ratings have steadily improved (36% in 2013/14, from 41% in 2010/11), with no significant change in consecutive years. It is important to note that the response scale for this question is reversed, so a lower score indicates a more positive attitude.

3.3.8. Support, compliance and other

The remaining reputation measures were ones of support (I would give HMRC the benefit of the doubt if they were criticised), compliance (it's not a big deal to pay your taxes late) and HMRC treat customers as honest.

Chart 3.17 Measures of support, compliance and other (%)
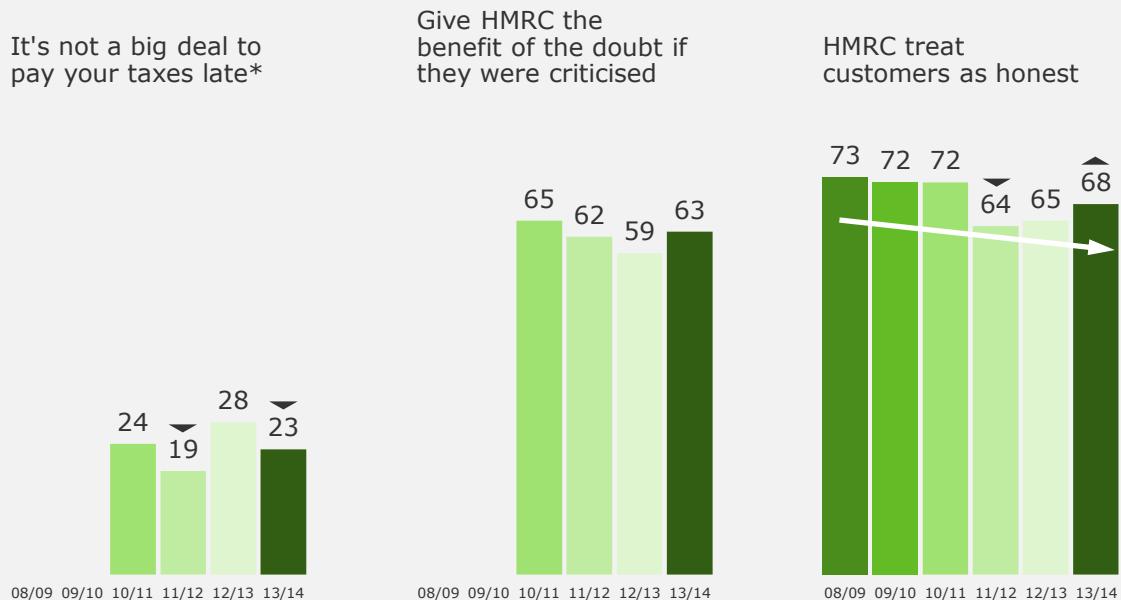
It's not a big deal to pay your taxes late*

24 (10/11) 19 (11/12) 28 (12/13) 23 (13/14)

Give HMRC the benefit of the doubt if they were criticised

65 (10/11) 62 (11/12) 59 (12/13) 63 (13/14)

HMRC treat customers as honest

73 (08/09) 72 (09/10) 72 (10/11) 64 (11/12) 65 (12/13) 68 (13/14)

08/09 09/10 10/11 11/12 12/13 13/14

* Response scale for this question is reversed so a lower score indicates a positive attitude

Base: All individuals who have heard of HMRC (from 08/09 to 13/14 n=2095, 2032, 2037, 3479, 3569, 3563)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014;   ▲▼ indicates an increase/decrease between consecutive years

Ratings for the measure of compliance (it's not a big deal to pay your taxes late) decreased significantly in 2013/14 (23%, from 28% in 2012/13). However, the overall position remains less positive than the lower levels of agreement seen in 2011/12 (19%) – that is a higher proportion of SME customers agreed that it is not a big deal to pay taxes late this year than in 2011/12.

As last year, 3% of larger organisations with more than 100 employees agreed that it's not a big deal to pay taxes late, compared to 25% of sole traders.

Following a steady decrease since the measure of support (give HMRC the benefit of the doubt if criticised) was introduced, ratings for giving HMRC the benefit of the doubt if criticised increased this year (63%, from 59% in 2012/13), although the score remains below the baseline set in 2010/11 (65%).

There has been no significant change in any two consecutive years, but there is a large difference by the size of the organisation. 36% of those with more than 100 employees would give HMRC the benefit of the doubt if they were criticised, whilst 66% of sole traders would. Those who had not dealt with HMRC in the previous three months were more positive (65%) than those who had (61%).

Ratings for whether HMRC treat their customers as honest significantly increased in 2013/14 (68%, from 65% in 2012/13). Again, as with the measure of support, this remains below the baseline (73% in 2008/09). As last year, SME businesses with fewer than 50 employees (not including sole traders), rated this measure less positively (66%).

4.
Individuals

4.1. Executive summary

Survey results that relate to taxes, benefits and credits dealt with are based on all Individuals so are presented in one section (4.2). Customer experience for Personal Tax customers and Benefits and Credits customers are reported separately in Sections 4.3 and 4.4. The Reputation module is based on all Individual customers so results are again presented in one section (4.5).

4.1.1. Dealings with HMRC

- Eight in ten (79%) Individuals dealt with HMRC in the last year, no change from previous years.
- Three in ten (30%) Individuals dealt with HMRC in the previous three months, which had also not changed.
- One in five (20%) Individuals had recent dealings with Personal Taxes, but fewer (12%) had dealings with Benefits and Credits, which represented a decrease since 2008/09 (15%).

4.1.2. Personal Tax customers

Nature of Dealings

- Three quarters (75%) reported that HMRC had made contact with them, which increased from 67% in 2008/09.
- When making contact, Personal Tax customers most often used the telephone (83%). However, there was an increase in usage of the internet (50%, up from 40% in 2008/09).
- Among those using more than one channel of contact, the internet was most likely to be the first channel of contact (62%, which increased from 54% in 2012/13), followed by telephone 29%.

Dimensions of Customer Experience

- Overall the expectation that dealing with HMRC would be straightforward was high (72%) and in general those expectations were met.
- Eight in ten Personal Tax customers (79%) said their experience was very or fairly straightforward. One in ten Personal Tax customers (14%) gave a negative rating.
- Personal Tax customers were moderately positive across all dimensions of experience. Scores ranged from 62% for keeping the customer informed on progress to 82% for how well staff treated you.
- Ratings for two customer experience dimensions fell between 2008/09 and 2013/14: ease of getting in touch (63% down from 75%) and how good HMRC was at keeping the customer informed about progress (62% down from 73%).

Key Driver Analysis

The aim of the key driver analysis was to understand the underlying drivers of ratings of straightforward[13]. It identifies the relative influence of each dimension of experience on the overall measure, and provides insight into the areas that need to be prioritised for improvement to keep overall ratings of straightforward high.

- The key driver analysis identified two primary focuses for improvement: how good HMRC were at giving the customer all the information they needed and ease of completing the processes.
- Areas identified as a secondary focus for improvement were getting things right and ease of getting in touch.

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[13] "Straightforward" in this context refers to the single overall measure: how straightforward was your recent experience of dealing with Revenue and Customs?

4.1.3. Benefits and Credits customers

Nature of Dealings

- Three quarters (74%) of customers reported that HMRC had made contact with them, which decreased from 76% in 2008/09.
- There was an increase in customers making contact with HMRC (64%, up from 60% in 2008/09) and in visiting the website (26%, up from 16% in 2008/09).
- When making contact, Benefits and Credits customers most often used the telephone (94%). However, there was an increase in usage of the internet (32%, up from 23% in 2008/09).
- Among those using more than one channel of contact, the internet was most likely to be the first (51%, up from 44% in 2011/12).

Dimensions of Customer Experience

- Overall the expectation that dealing with HMRC would be straightforward was high (80%), and in general those expectations were met.
- More than eight in ten Benefits and Credits customers (84%) said their experience was very or fairly straightforward. One in ten Benefits and Credits customers (10%) gave a negative rating.
- Across most dimensions of experience, the majority of Benefits and Credits customers gave positive ratings. Scores ranged from 67% for ease of getting in touch to 87% for how well staff treated you.
- Ratings for how good HMRC were at getting things right increased between 2008/09 and 2013/14 (80% up from 75%).
- Ratings for two dimensions of experience fell between 2008/09 and 2013/14: ease of getting in touch (67% down from 72%) and keeping the customer informed about progress (71% down from 79%).

Key Driver Analysis

- The key driver analysis identified three primary focuses for improvement: acceptability of time taken, how good HMRC were at getting things right and ease of completing the processes.
- Areas identified as a secondary focus for improvement were keeping the customer informed about progress and ease of getting in touch.

4.1.4. Reputation

- Individuals reported a moderate level of familiarity with HMRC, and while the majority knew at least a little (74%), only five per cent of Individuals felt they knew a lot about HMRC.
- Ratings across a number of fairness, favourability and trust reputation measures decreased between 2010/11 and 2013/14.
- There were also decreases across a number of the other reputation measures; with the only increase in agreement that HMRC protects my personal information.

- Key driver analysis was carried out to understand the relative importance of each of the reputation measures on favourability, and to find out what might help reverse this decrease.
- Two areas were identified as primary focuses for improvement: to trust HMRC to be fair, and effective communication.
- The area identified as a secondary focus for improvement was that HMRC is recognised as an organisation with a good reputation.

4.2. Dealing with HMRC

4.2.1. The nature of dealings

To put ratings of customer experience into context, it is necessary to understand the nature of these dealings in terms of the specific taxes customers have dealt with, the types of dealings they have had and the channels of contact they have used. Survey results that relate to taxes, benefits and credits dealt with are based on all Individuals so are presented in one section (4.2). Customer experience for Personal Tax customers and Benefits and Credits customers are reported separately in Sections 4.3 and 4.4.

4.2.2. Taxes dealt with

Eight in ten Individuals (79%) had dealt with HMRC in the 2013/14 financial year. This was similar to previous years.

As Chart 4.1 shows, three in ten Individuals (30%) dealt with HMRC in the previous three months. Dealings with HMRC fell from 32% to 30% in the period between 2008/09 and 2013/14. This represented a small yet significant decrease. Dealings with Personal Taxes remained broadly consistent at around one in five Individuals, whereas dealings with Benefits and Credits decreased from 15% to 12% between 2008/09 and 2013/14. This change was driven by a decrease in dealings with Child Benefit, from 7% in 2008/09 to just 3% in 2013/14.

Chart 4.1 Products dealt with in the last three months (%)

Any dealings

| 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |
| 32 | 32 | 29 ▼ | 33 ▲ | 31 | 30 |

Any personal tax

| 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |
| 19 | 20 | 19 | 21 ▲ | 20 | 20 |

Any benefit or credit

| 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |
| 15 | 13 ▼ | 12 | 15 ▲ | 14 | 12 ▼ |

SA

| 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |
| 9 | 10 ▲ | 8 ▼ | 9 | 8 | 9 |

PAYE

| 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |
| 5 | 5 | 4 | 4 | 5 | 6 |

Tax repayments

| 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |
| 3 | 3 | 3 | 5 ▲ | 4 | 4 |

Child Tax Credit

| 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |
| 8 | 8 | 7 | 10 ▲ | 9 | 8 |

Working Tax Credit

| 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |
| 5 | 5 | 5 | 6 ▲ | 6 | 6 |

Child Benefit

| 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |
| 7 | 5 ▼ | 4 ▼ | 4 | 4 | 3 |

Base: Base: All customers (from 08/09 to 13/14 n=6554, 6336, 6490, 4981, 4616, 4850)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ▲▼ indicates an increase/decrease between consecutive years

### 4.3. Customer experience: Personal Tax customers

Section 4.3 describes the customer experience for those who have dealt with a Personal Tax. For respondents dealing with more than one type of tax, credit or benefit, one was selected at random as the subject of the customer experience questions.

4.3.1. Types of dealings for Personal Tax customers

Most Personal Tax customers who had dealt with HMRC in the previous three months reported a variety of dealings about the tax selected for them (Chart 4.2). Three in four Personal Tax customers (75%) said that HMRC had made contact with them and this increased from 67% in 2008/09. A third (33%) reported making contact with HMRC, which had decreased significantly since 2012/13 (41%), in line with the longer term downward trend from 49% in 2008/09.

Submission of a form or return decreased between 2008/09 and 2013/14 (29% down from 45% in 2008/09), and in particular between 2010/11 and 2011/12. A third of (32%) Personal Tax customers with dealings in the last three months had visited the website, still up from 28% in 2008/09, despite a small decrease since 2010/11 (34%). Fifteen per cent of Personal Tax customers reported making a payment to HMRC, which was a decrease from 2008/09 levels (20%).

Chart 4.2 Types of dealings in the last three months: Personal Taxes (%)

Base: All customers with dealings in last 3 months (from 08/09 to 13/14 n=4537, 4495, 4000, 3052, 2682, 3117)
Source: Q1-Q4 08/09-13/14
▲▼indicates an increase or decrease between 2008/2009 and 2013/2014; ▲▼ indicates an increase/decrease between consecutive years
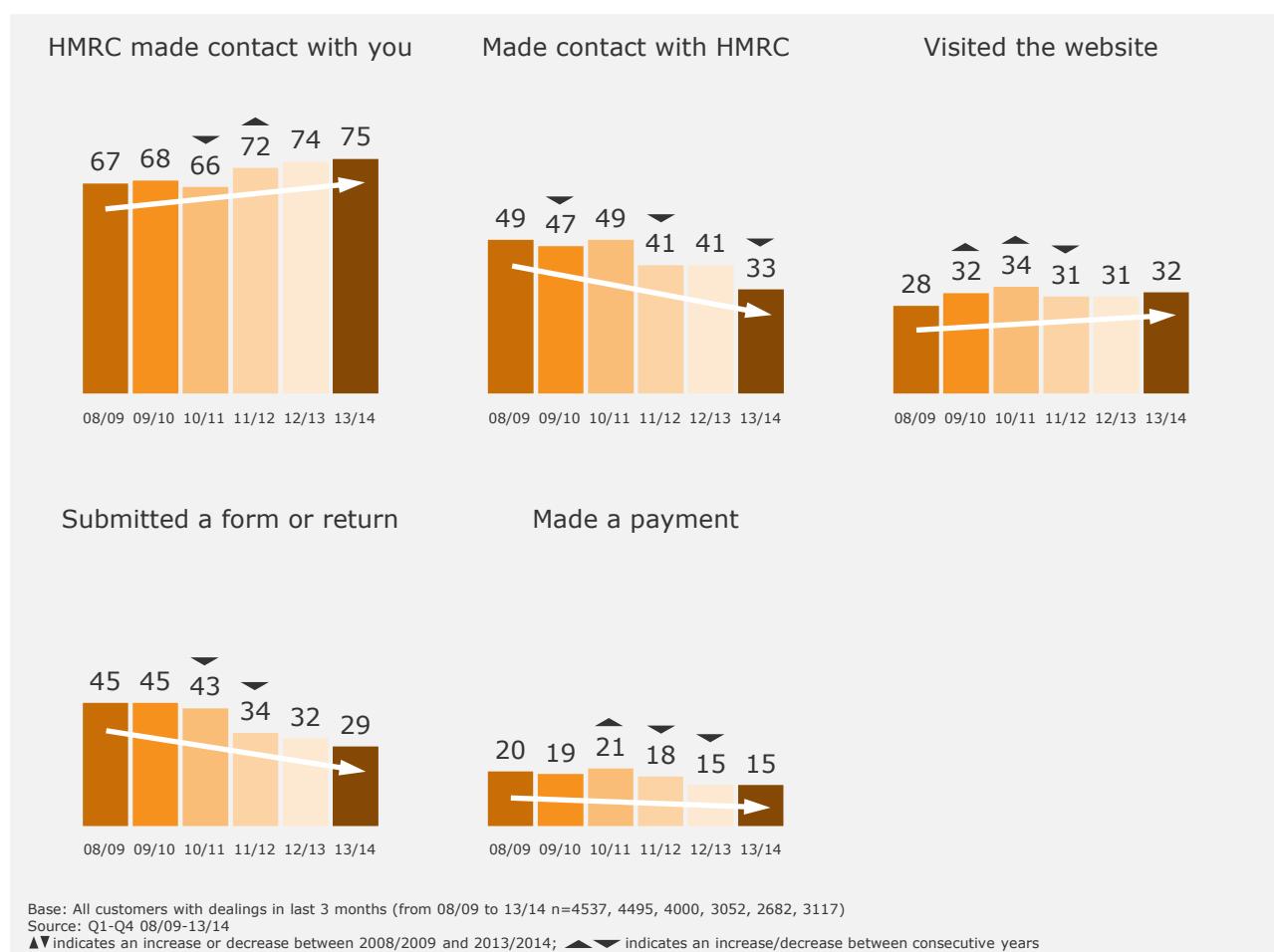
4.3.2. Channels of contact for Personal Tax customers

Methods of contact can also influence the customer experience. Only those Personal Tax customers who reported making contact with HMRC were asked which channel they used. Among those with dealings in the previous three months, 33% reported contacting HMRC in relation to that dealing.

When making contact, Personal Tax customers continued to be most likely to have used the telephone (83%, Chart 4.3). Contact through the website increased between 2008/09 (40%) and 2010/11 (51%), but had remained at that level since (50% in 2013/14).

Just under a quarter of Personal Tax customers (23%) had written a letter, which fell from 29% in 2008/09. Other channels of contact continued to be used at relatively low levels, with declines between 2008/09 and 2013/14 for both visiting a tax office and contact through a third party.

Chart 4.3 Channels of contact in last three months: Personal Tax customers (%)

Base: All customers with dealings in last 3 months who made contact (from 08/09 to 13/14 n=5575, 5624, 4522, 2027, 1078, 1040)
Source: Q1-Q4 08/09-13/14
▲▼indicates an increase or decrease between 2008/2009 and 2013/2014; ▲▼ indicates an increase/decrease between consecutive years
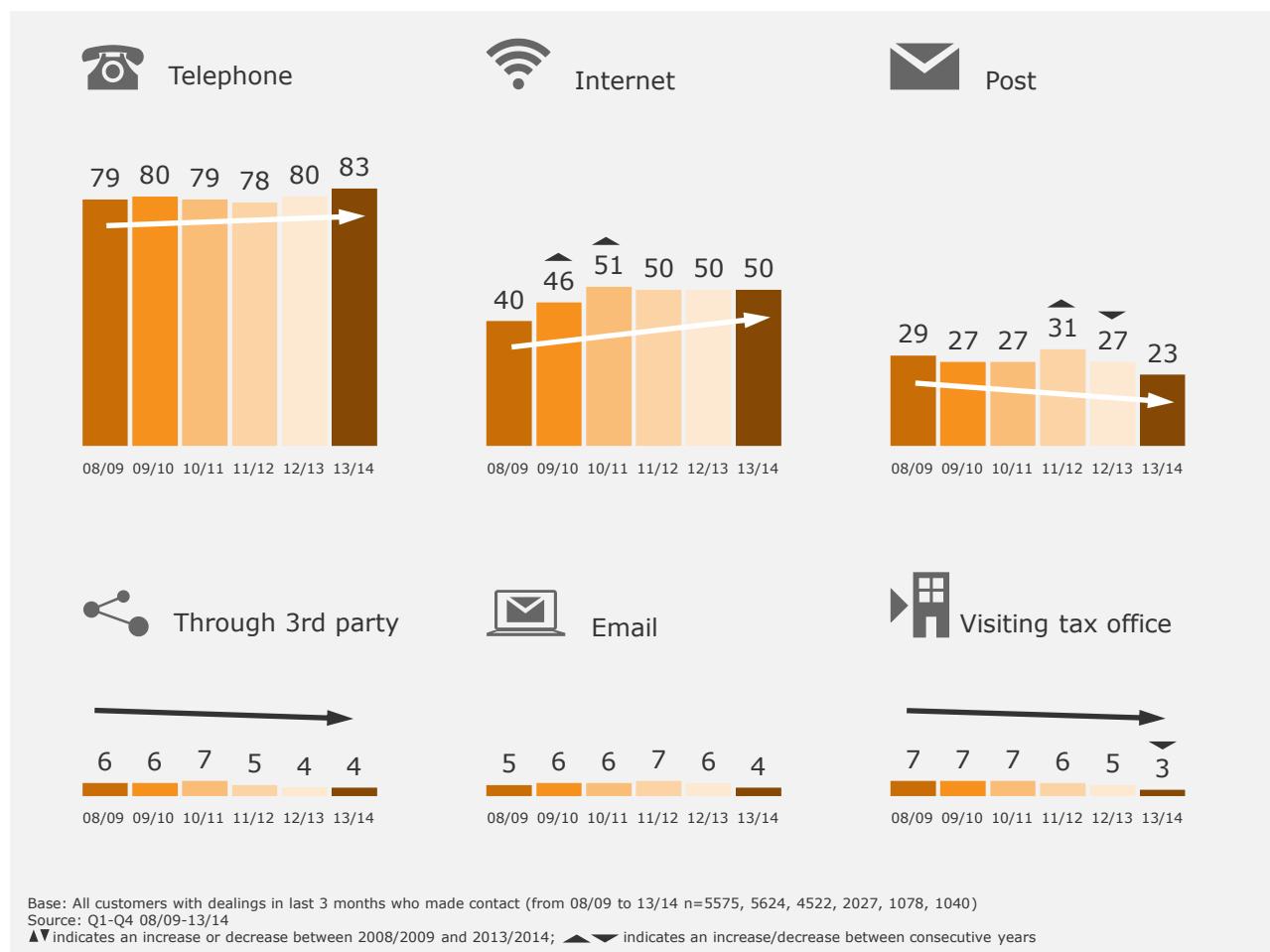
Among those who made contact, just over half of Personal Tax customers (55%) used more than one method, which increased from 51% in 2008/09. Where only one method was used, this was most likely to be the telephone (75%). The telephone had consistently been the channel most used in isolation since 2008/09. For 8% of Personal Tax customers who used only one method that contact was made via the internet, while 12% made their only contact by post.

A series of new questions were added in 2011/12 to put dealings in further context. Among Personal Tax customers who had used more than one method, the first channel used was most likely to be the internet (62%), which increased from 54% in 2012/13. This was followed by the telephone (29%), which decreased from 36% in the same period of time (Chart 4.4).

These findings suggest that an increasing number of Personal tax customers now tend to use the internet instead of the telephone to contact HMRC. This is in line with HMRC's Digital by default strategy to encourage internet usage.

Chart 4.4 First channel of contact: Personal Tax customers (%)

Base: All customers with dealings in last 3 months who use multiple channels (from 11/12 to 13/14 n=564, 575, 566)
Source: Q1-Q4 11/12-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◤◥ ◣◢ indicates an increase/decrease between consecutive years
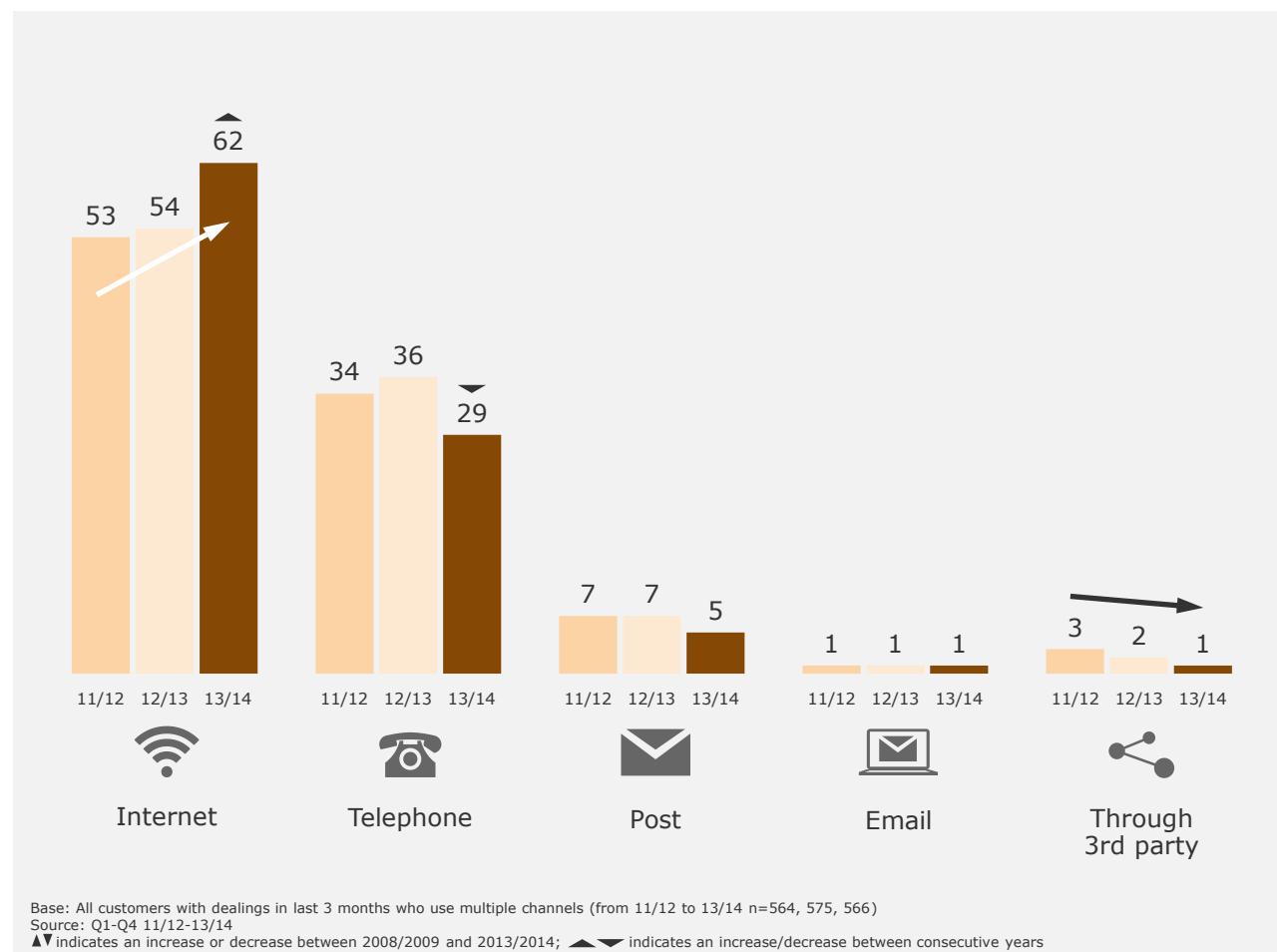
The most frequently mentioned reason for using an alternative channel was that they did not find or receive the information they required at the first attempt (34%). More than one in ten said they only used the website for information before using a main method (14%), were seeking confirmation or reassurance (13%), were directed to use a different method by HMRC or the website (13%). Slightly fewer said they changed to an easier or preferred method of contact (12%). Seven in ten Personal Tax customers that used at least two channels (71%) said that the number of times they were in contact with HMRC was acceptable, which had not changed since 2011/12.

### 4.3.3. Overall ratings of Personal Tax customers

Overall customer experience ratings can be strongly influenced by two factors: satisfaction with the outcome, and prior expectations. For example, if two customers receive the same level of service, but one gains financially and the other loses, then the customer who gains financially is likely to rate the service more positively.

To encourage customers to focus on their experience of the service they received when dealing with HMRC and minimise the influence of outcomes on the ratings they gave, they were first asked to rate their satisfaction with the final outcome of their dealings, and then asked to put the outcome aside, and rate how straightforward their dealing was.

Prior to Q4 2010/11 rather than rate how straightforward their dealing was, customers were asked to rate their overall experience, so the 2011/12 measure of straightforward forms a new baseline. In addition, a new question was added to the survey in Q2 2011/12 asking customers to state what their expectation of straightforwardness was before their dealings began (this question was asked before the more detailed experience questions).

As Chart 4.5 shows, eight in ten Personal Tax customers (79%) said their experience was very or fairly straightforward, which remained unchanged since 2011/12. Satisfaction with the final outcome of the dealing was rated as highly as overall straightforwardness, with 75% of Personal Tax customers very or fairly satisfied. Aside from a slight drop in 2010/11, this had remained consistent since 2008/09. Expectations of straightforwardness rose only slightly, from 70% in 2012/13 to 72% in 2013/14. This increase was not significant.

Chart 4.5 Overall ratings and expectation of customer experience: Personal Taxes (%)
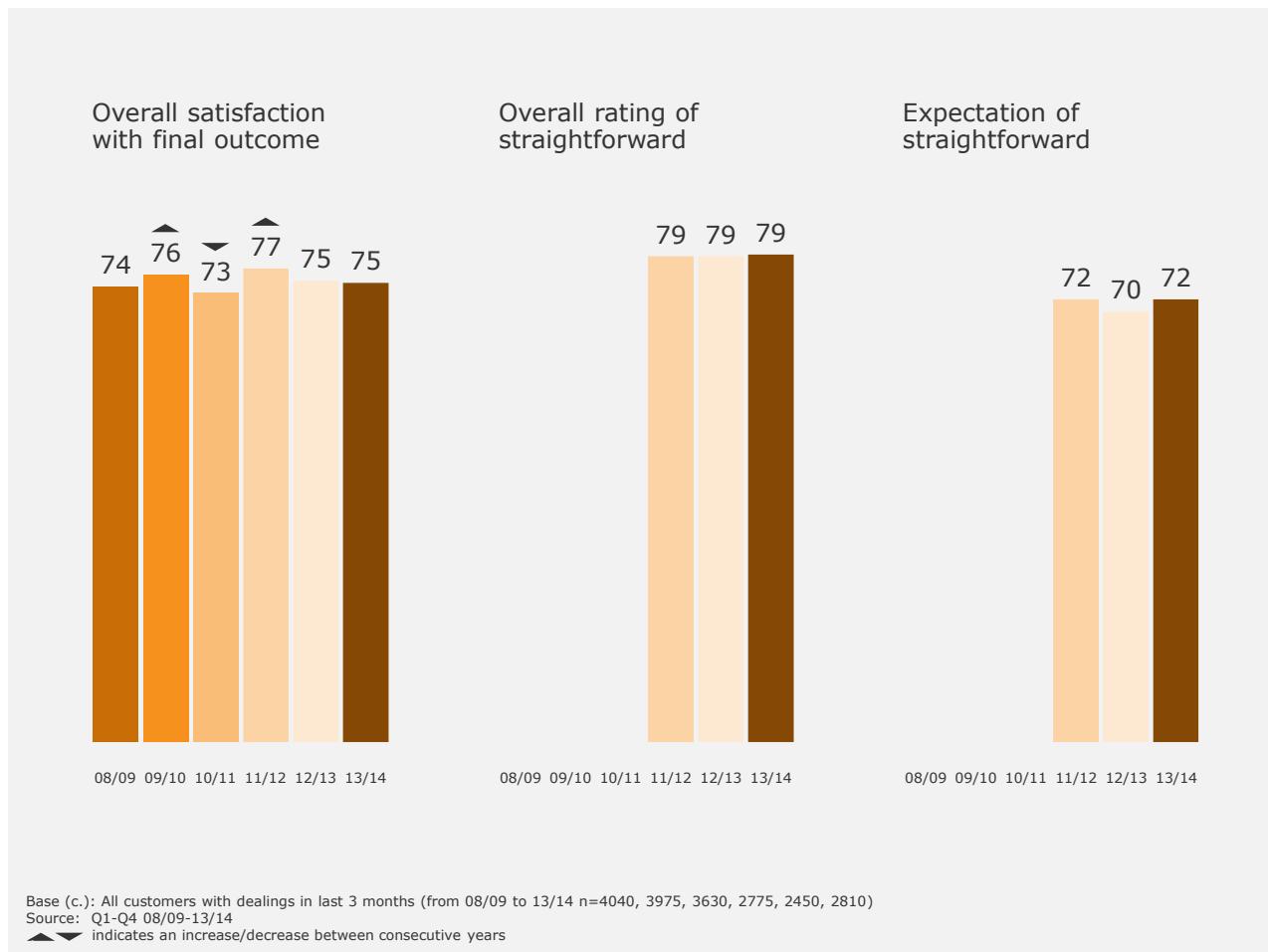
Base (c.): All customers with dealings in last 3 months (from 08/09 to 13/14 n=4040, 3975, 3630, 2775, 2450, 2810)
Source: Q1-Q4 08/09-13/14
indicates an increase/decrease between consecutive years

Customers were further asked whether their experience was more or less straightforward or in line with expectations (Chart 4.6).

Chart 4.6 Experience of straightforwardness against expectations: Personal Taxes (%)

Year	Much more straightforward	Slightly more straightforward	In line with expectations	Slightly less straightforward	Much less straightforward
13/14	11	10	63	4	5
12/13	11	10	63	4	6
11/12	13	10	61	5	7

■ Much more straightforward ■ Slightly more straightforward ■ In line with expectations
■ Slightly less straightforward ■ Much less straightforward

Base: All customers with dealings in last 3 months (from 11/12 to 13/14 n=2172, 2682, 3117)
Source: Q1-Q4 11/12-13/14

In line with 2012/13, six in ten (63%) Personal Tax customers reported that their experience was in line with their expectations, with Personal Tax customers twice as likely to report that their experience was more straightforward (20%) than less so (9%), compared with expectations.

There was a strong relationship between the rating of straightforwardness against expectations and overall rating of straightforwardness. Among Personal Tax customers who rated their experience very or fairly straightforward, one in four (26%) thought that experience was more straightforward than expected, compared with only four per cent who rated their experience neutrally or not straightforward. Of those who rated overall straightforwardness neutrally or negatively, 36% said it was less straightforward than expected.

4.3.4. Dimensions of Personal Tax customer experience

Whilst the overall ratings of customer experience give a general picture, it is essential to look in more detail at particular dimensions of the experience in order to ascertain what may be driving customer ratings and to identify key areas for action. The dimensions of customer experience were introduced in Section 1.5.2.

4.3.5. Key driver analysis for Personal Tax customers

Key driver analysis was carried out using multivariate analysis of the overall rating of straightforwardness. The final analysis plots importance against performance in a quadrant diagram (Chart 4.7) with relative importance in driving the overall straightforward rating on the horizontal axis and performance on the vertical axis. A more detailed description of key driver analysis is in Appendix A.

Chart 4.8 Key drivers of straightforward: Personal Tax customers[14]
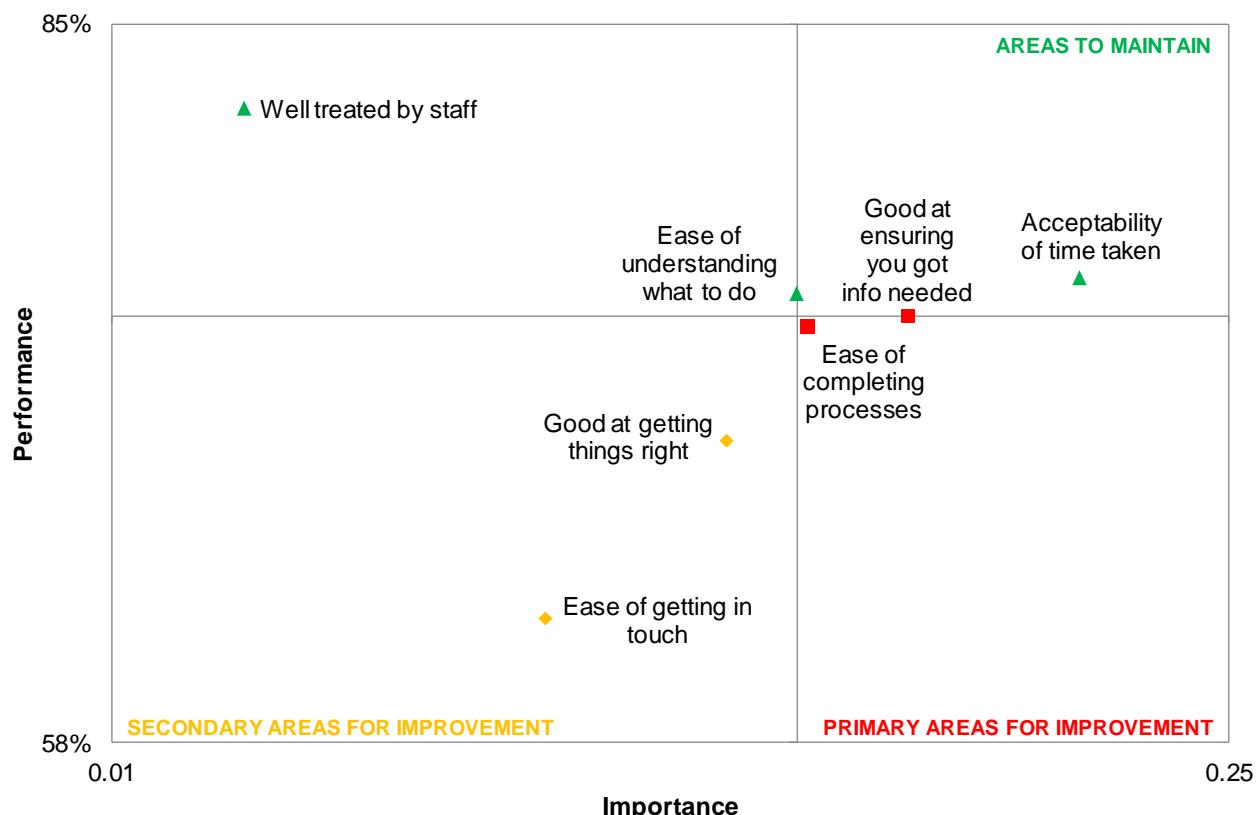
Square markers are used in the bottom right quadrant to signify primary areas for improvement, diamond markers for secondary areas for improvement in the bottom left and triangle markers for areas to maintain in the top right and to a lesser extent in the top left. Primary areas for improvement have a stronger influence on the overall rating of straightforward than secondary areas.

Performance is relatively high in the area with the largest influence on the overall rating of straightforward: acceptability of the time taken to reach a final outcome. This therefore needs to be maintained to maintain the overall straightforward rating.

Two areas were identified as being primary areas to target for improvement, due to their relatively prominent level of importance but lower performance rating. They were how good HMRC were at giving the customer all the information they needed and ease of completing the processes. However, it should be pointed out that these areas are at and just below the median performance score, so performance is not a strong concern, although improvements could still be made.

Two further factors were secondary areas for improvement. These areas, which are rated lower in terms of performance, were how good HMRC was at getting things right and ease of getting in touch.

The remainder of this section will focus on measures which have shown significant change over time, or which have been identified as areas for improvement in the key driver analysis to help shed more light on potential areas for improvement.

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[14] R^2 is 0.58 meaning that 58% of the variance can be accounted for in the model.

4.3.6. Simplicity for Personal Tax customers

Simplicity includes three measures designed to find out how easy HMRC makes the experience for their customers, in terms of understanding what to do, completing processes, and getting in touch. The key driver analysis identified ease of completing the processes as a primary area for improvement and ease of getting in touch as a secondary area to improve.

Chart 4.8 Measures of simplicity: Personal Tax customers (%)

Base (c.): All customers with dealings in last 3 months (from 08/09 to 13/14 n=4169, 4095, 3629, 2760, 2397, 2741)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ▲▼ indicates an increase/decrease between consecutive years
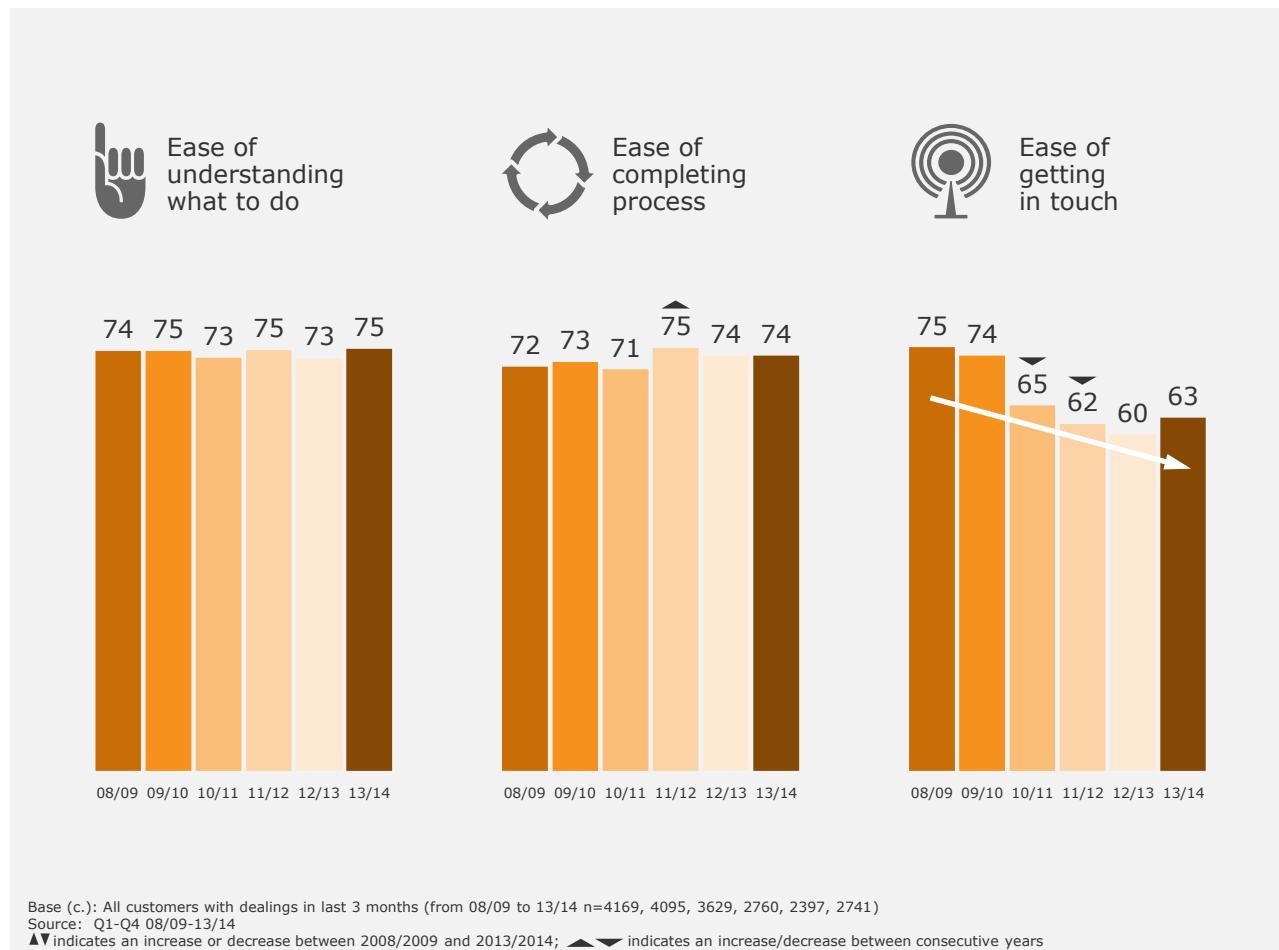
Three-quarters of Personal Tax customers felt that it was easy to understand what they needed to do (75%). Ratings for this measure had not changed over time.

Ease of completing the processes was rated positively by 74% of Personal Tax customers. This was identified as a primary area to improve in the key driver analysis, although the score was only slightly less than the median performance score across all measures. There was an increase in ratings for ease of completing the processes between 2010/11 (71%) and 2011/12 (75%) but this remained unchanged to 2013/14.

To understand the results further we can look at whether ratings differ for different groups. However, for ease of completing the processes there were relatively few differences by subgroup, but customers who used one channel were more positive than those who used two or more (77% compared to 65%).

Ratings for the ease of getting in touch decreased between 2008/09 (75%) and 2013/14 (63%), but have remained steady since 2011/12. This was identified as a secondary area to improve in the key driver analysis.

Ratings for ease of getting in touch decreased for dealings with a number of Personal Tax products between 2008/09 and 2013/14, including PAYE taken from wages (from 74% to 60%), PAYE taken from pension (from 79% to 61%), Self Assessment (from 76% to 62%, although this rose from 54% in 2012/13) and tax repayments (from 80% to 60%).

There were also few differences by sub-group for ease of getting in touch, but those aged 65+ were less positive (57%),whilst those whose dealings involved visiting the website were more positive (67%).

4.3.7. Responsiveness for Personal Tax customers

Personal Tax customers were asked to rate the responsiveness of HMRC in terms of how good HMRC were at giving them the information they needed, keeping them informed and how well staff treated them. How good HMRC were at giving the customer the information they needed was identified as a primary area for improvement in the key driver analysis.

Chart 4.9 Measures of responsiveness: Personal Tax customers (%)

Base (c.): All customers with dealings in last 3 months (from 08/09 to 13/14 n=3658, 3537, 3233, 2679, 2310, 2556)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ▲▼ indicates an increase/decrease between consecutive years
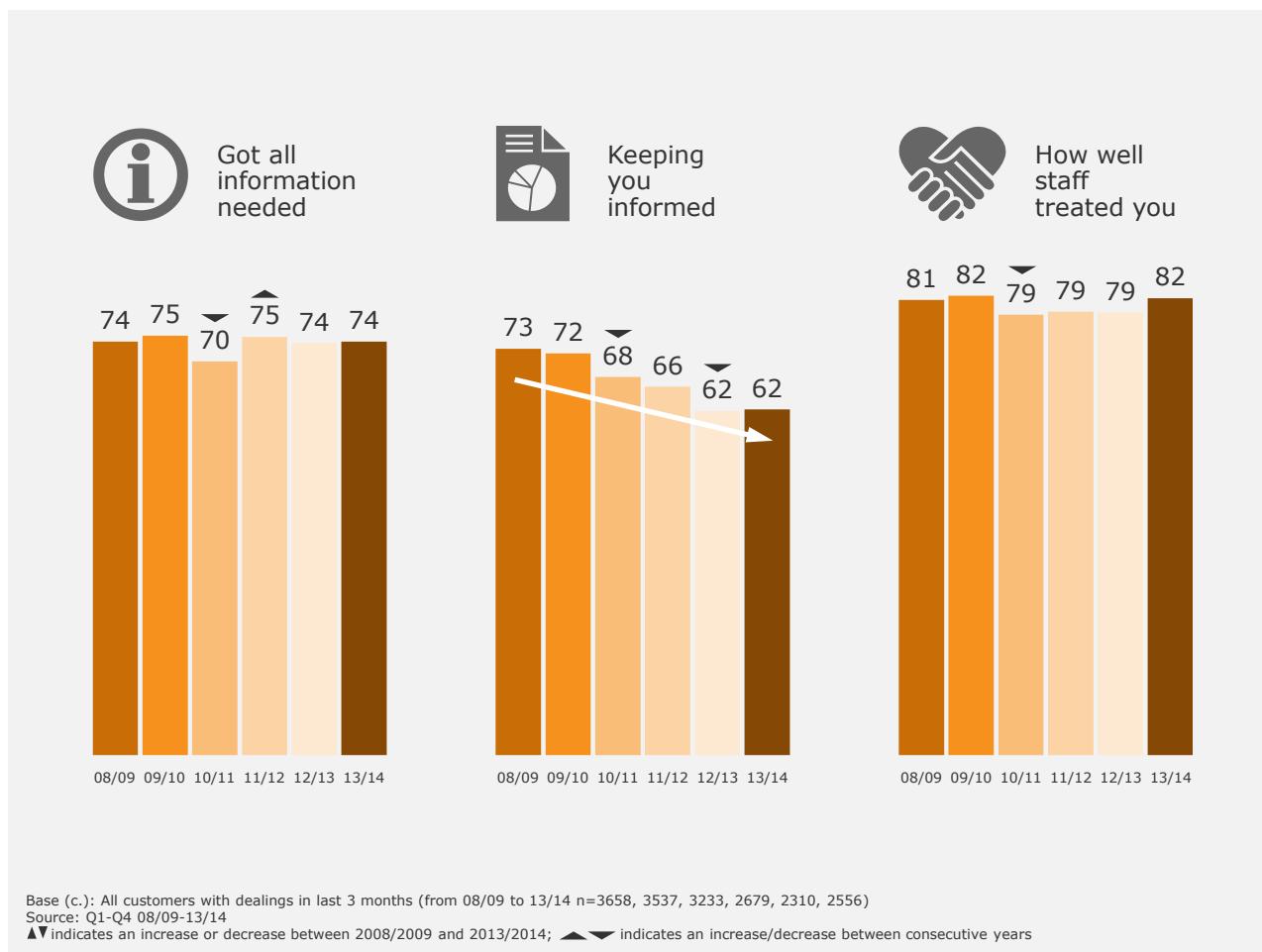
With the exception of a dip in 2010/11, ratings for how good HMRC were at making sure the customer could get all the information needed have remained at a steady three in four (74% in 2013/14) since 2008/09. This was identified in the key driver analysis as a primary area to improve due to its heavy influence on the overall rating of straightforward, and performance level equal to the median of all dimensions of experience.

Personal Tax customers whose dealings involved making contact with HMRC were less positive about getting all the information needed (69%).

How good HMRC was at keeping the customer informed about progress was rated positively by six in ten Personal Tax customers in 2013/14 (62%), but this had decreased from 73% in 2008/09. There were significant decreases between 2009/10 and 2010/11 and between 2011/12 and 2012/13. This was the measure with the lowest performance score overall.

The overall decrease between 2008/09 and 2013/14 was driven by dealings with PAYE through wages (60% down from 70% in 2008/09), PAYE taken from pension (61% down from 77% in 2008/09), SA (65% down from 77% in 2008/09) and general queries (54% down from 66% in 2008/09).

Personal Tax customers whose dealings involved making contact with HMRC were less positive about being kept informed (55%), particularly those who had used multiple channels but the internet first (51%). However the self employed (70%) and those who used only one channel were more positive (63%).

How well the customer was treated was also an area of strong performance, with 82% giving a positive rating. Aside from some minor fluctuation, ratings on this measure have remained relatively consistent over time.

4.3.8. Reliability and Speed for Personal Tax customers

Ratings of reliability and speed included how good HMRC were at getting things right, the staff in terms of their ability to deal with the issues and the acceptability of the time taken to reach a final outcome. The measures for both staff's ability to deal with the issue and the acceptability of time taken were added to the survey in 2011/12. Being good at getting things right was identified as secondary area for improvement in the key driver analysis.

Chart 4.10 Measures of reliability: Personal Tax customers (%)

Base (c.): All customers with dealings in last 3 months (from 08/09 to 13/14 n=3933, 3842, 3506, 2713, 2344, 2634)
Source: Q1-Q4 08/09-13/14
▲▼indicates an increase or decrease between 2008/2009 and 2013/2014; ◢◣◥◤ indicates an increase/decrease between consecutive years
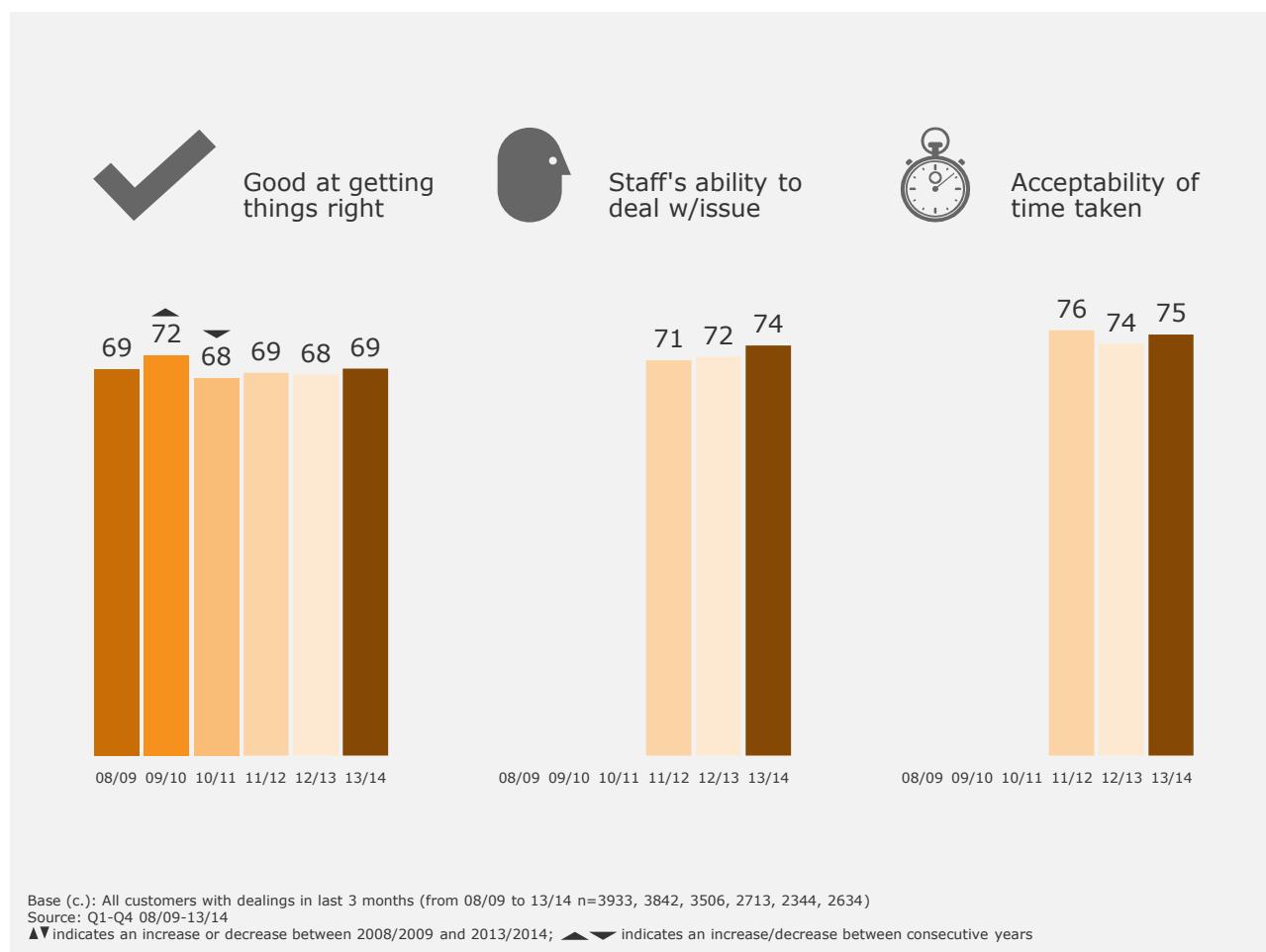
Ratings Personal Tax customers gave for how good HMRC were at getting things right remained consistent between 2008/09 and 2013/14 (69%), albeit with marginal changes in the intervening years.

There were few differences between subgroups, but those whose dealing involved making contact with HMRC were less positive (65%).

Ratings for both new measures remained at consistent levels in 2013/14 in comparison with 2011/12. Staff's ability to deal with the issue was rated positively by 74% of Personal Tax customers, while acceptability of time taken to reach a final outcome was rated positively by 75%. The latter measure was identified as an area to maintain in the key driver analysis.

There was little difference between subgroups in their ratings of the acceptability of time taken to reach an end result, but those dealing with PAYE through their wages (70%), those who made contact (68%) were less positive. However the self employed (82%) and those who used only one channel were more positive (73%).

### 4.4. Customer experience: Benefits and Credits customers
Section 4.4 describes the customer experience for those who have dealt with a Benefits and Credits. For respondents dealing with more than one type of credit or benefit, one was selected at random as the subject of the customer experience questions.

4.4.1. Types of dealings for Benefits and Credits customers
Most Benefits and Credits customers who had dealt with HMRC in the previous three months reported a variety of dealings about the tax selected for them (Chart 4.11). Three quarters of Benefits and Credits customers (74%) reported that HMRC made contact with them, which represented a decrease since 2012/13 (78%). Fewer said that they had made contact with HMRC (64%), which had remained at a consistent level since 2009/10 after an increase from 60% in 2008/09.

A third of Benefits and Credits dealings involved submission of a form or return (35%) which remained steady between 2008/09 and 2013/14 apart from an increase in 2010/11. A quarter (26%) of Benefits and Credits customers with dealings in the last three months had visited the website, up from 16% in 2008/09, but unchanged from 2012/13. As in previous years, a relatively small proportion of Benefits and Credits customers made a payment in 2013/14 (4%).

Chart 4.11 Types of dealings in the last three months: Benefits and Credits (%)

Base: All customers with dealings in last 3 months (from 08/09 to 13/14 n=3020, 2863, 2505, 2309, 3134, 2799)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ▲ ▼ indicates an increase/decrease between consecutive years
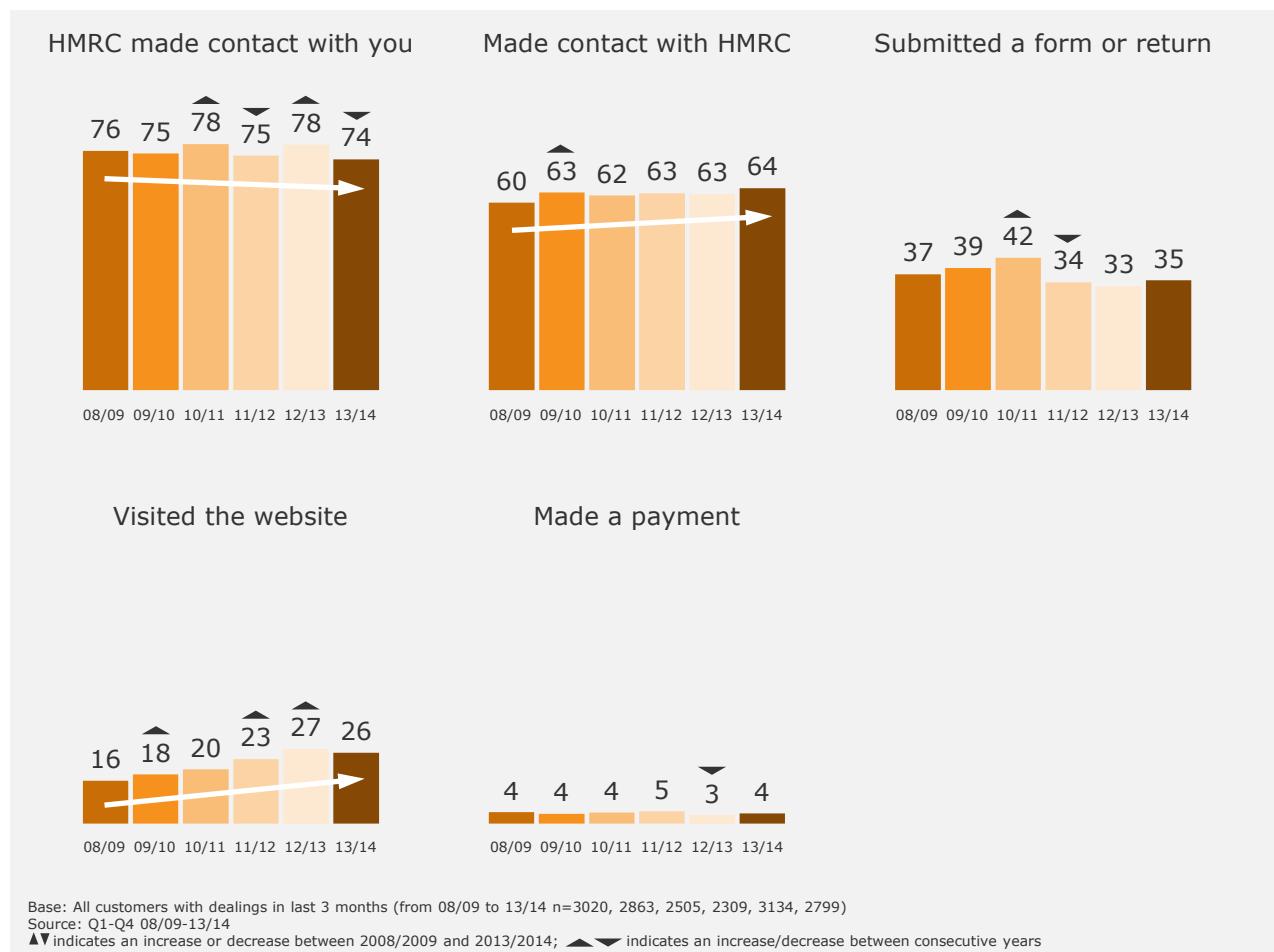
4.4.2. Channels of contact for Benefits and Credits customers

Methods of contact can also influence the customer experience. Only those who reported making contact with HMRC were asked which channel they used. Among those with dealings in the previous three months, 64% of Benefits and Credits customers reported contacting HMRC in relation to their dealing.

When making contact, Benefits and Credits customers were most likely to have used the telephone (94% of those making contact). This is statistically significantly higher than in 2008/09, albeit the increase was only a small one, from 92% (Chart 4.12).

Other channels of contact were utilised at much lower levels. One in three Benefits and Credits customers making contact (32%) had used the internet as part of their dealing, maintaining the upward trend since 2008/09 (23%). Two in ten (18%) sent a letter, which was a return to baseline levels following an increase to 21% in 2011/12. Only two per cent of Benefits and Credits customers making contact with HMRC reported doing so by email and one per cent through a third party or by visiting a tax office.

Chart 4.12 Channels of contact in last three months: Benefits and Credits customers (%)

☎ Telephone

08/09	09/10	10/11	11/12	12/13	13/14
92	93	93	94	93	94

📶 Internet

08/09	09/10	10/11	11/12	12/13	13/14
23	26 ▲	28	31	33	32

✉ Post

08/09	09/10	10/11	11/12	12/13	13/14
18	18	16	21 ▲	18 ▼	18

Through 3rd party

08/09	09/10	10/11	11/12	12/13	13/14
2	3	3	3	2 ▼	1

Email

08/09	09/10	10/11	11/12	12/13	13/14
2	2	2	2	2	2

Visiting tax office

08/09	09/10	10/11	11/12	12/13	13/14
3	3	4	3	2 ▲	1 ▼

Base: All customers with dealings in last 3 months who made contact (from 08/09 to 13/14 n=1840, 1839, 1609, 1459, 1974, 1832)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ▲ ▼ indicates an increase/decrease between consecutive years

Among those making contact, 41% of Benefits and Credits customers used more than one method, increasing from 33% in 2008/09. Where only one method was used, this was most likely to be the telephone (93%).

A series of new questions were added in 2011/12 to put dealings in further context. Among customers who had used more than one method, the first channel used was most likely to be the internet (51%), followed by the telephone (42%). This was consistent with 2012/13 but represented a change from 2011/12, when both these channels were equally likely to be the first form of contact (Chart 4.13).

These findings suggest that an increasing number of Benefit and Credit customers now tend to use the internet instead of the telephone to contact HMRC. This is in line with HMRC's Digital by default strategy, of encouraging internet usage.

Chart 4.13 First channel of contact: Benefits and Credits customers (%)

Internet: 11/12: 44, 12/13: 52, 13/14: 51

Telephone: 11/12: 44, 12/13: 38, 13/14: 42

Post: 11/12: 6, 12/13: 6, 13/14: 5

Through 3rd party: 11/12: 3, 12/13: 1, 13/14: 1

Base: All customers with dealings in last 3 months who use multiple channels (from 11/12 to 13/14 n=591, 787, 714)
Source: Q1-Q4 11/12-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ▲▼ indicates an increase/decrease between consecutive years
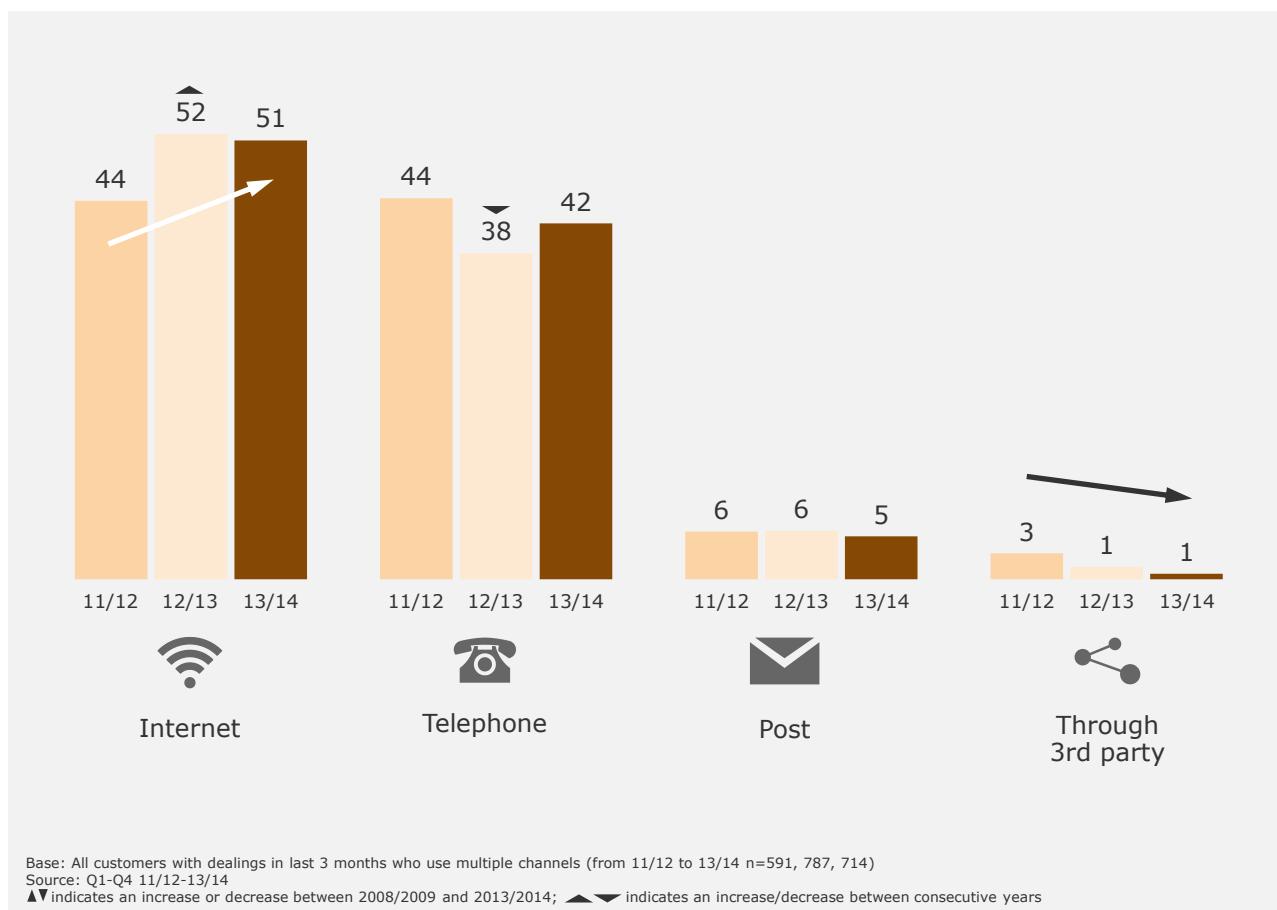
The reason for using an alternative channel mentioned most frequently was that they only used the first method to get information before using main method (20%). Slightly fewer said they did not find or receive the information they required at the first attempt (19%), they were seeking confirmation (15%), switched to an easier or their preferred method of contact (14%) or they were directed to another method by HMRC or the website (14%).

Eight in ten customers who used at least two channels (83%) said that the number of times they were in contact with HMRC was acceptable, which had not changed since 2011/12 (81%).

4.4.3. Overall ratings of Benefits and Credits customers

Overall ratings of the customer experience can be strongly influenced by two factors: satisfaction with the outcome, and prior expectations. For example, if two customers receive the same level of service, but one gains financially and the other loses, then the customer who gains financially is likely to rate the service more positively.

To encourage customers to focus on their experience of the service they received when dealing with HMRC and minimise the influence of outcomes on the ratings they gave, they were first asked to rate their satisfaction with the final outcome of their dealings, and then asked to put the outcome aside, and rate how straightforward their dealing was.

Prior to Q4 2010/11 rather than rate how straightforward their dealing was, customers were asked to rate their overall experience, so the 2011/12 measure of straightforward forms a new baseline. In addition, a new question was added to the survey in Q2 2011/12 asking customers to state what their expectation of straightforwardness was before their dealings began (this question was asked before the more detailed experience questions).

Chart 4.14 Overall ratings and expectation of customer experience: Benefits and Credits (%)

Overall satisfaction with final outcome

79 81 81 80 79 81
08/09 09/10 10/11 11/12 12/13 13/14

Overall rating of straightforward

84 85 84
08/09 09/10 10/11 11/12 12/13 13/14

Expectation of straightforward

79 79 80
08/09 09/10 10/11 11/12 12/13 13/14

Base (c.): All customers with dealings in last 3 months (from 08/09 to 13/14 n=2807, 2696, 2364, 2166, 2945, 2669)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase/decrease between consecutive years
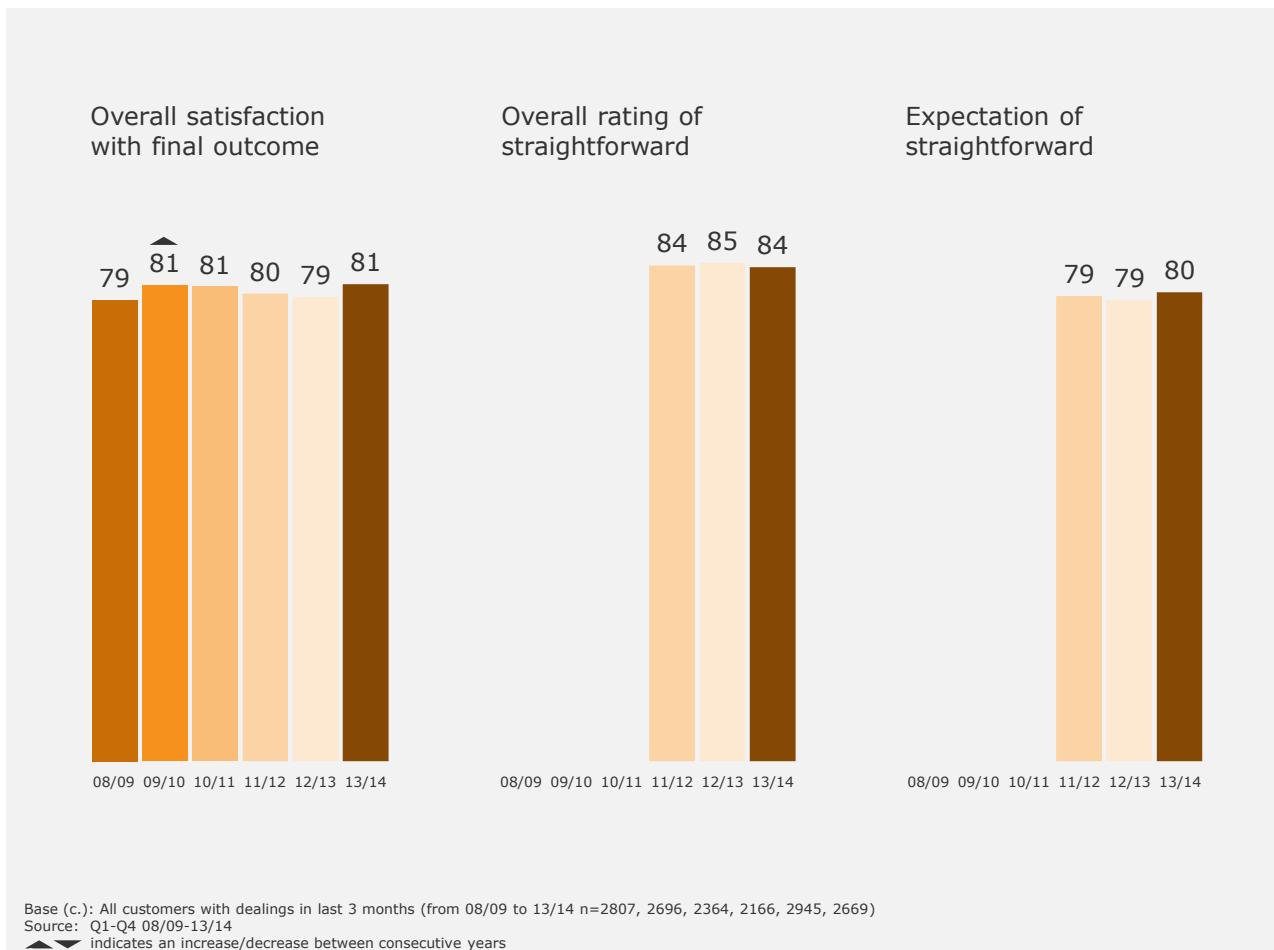
In 2013/14, more than eight in ten Benefits and Credits customers (84%) said their experience was very or fairly straightforward. One in ten (10%) gave a negative rating. This is in line with ratings in previous years. Eight in ten Benefits and Credits customers (81%) were very or fairly satisfied with the final outcome of their dealing. This had remained largely consistent since 2008/09.

Customers were further asked whether their experience was more or less straightforward or in line with expectations (Chart 4.15).

Chart 4.15 Experience of straightforwardness against expectations: Benefits and Credits (%)

Year	Much more straightforward	Slightly more straightforward	In line with expectations	Slightly less straightforward	Much less straightforward
2013/2014	17	11	59	6	5
2012/2013	15	12	61	6	5
2011/2012	15	11	60	6	5

■ Much more straightforward ■ Slightly more straightforward ■ In line with expectations

■ Slightly less straightforward ■ Much less straightforward

Base: All customers with dealings in last 3 months (from 11/12 to 13/14 n=2010, 3134, 2799)
Source: Q1-Q4 11/12-13/14

Six in ten (59%) reported that their experience was in line with expectations, while a quarter (28%) said it was more straightforward than expected, far more than said it was less straightforward (10%).

There was a strong relationship between the rating of straightforwardness against expectations and overall rating of straightforwardness. Among Benefits and Credits customers who rated their experience very or fairly straightforward, a third (33%) thought that experience was more straightforward than expected, compared with only four per cent who rated their experience neutrally or not straightforward. Of those who rated overall straightforward neutrally or negatively, 45% said it was less straightforward than expected.

4.4.4. Dimensions of Benefits and Credits customer experience

Whilst the overall ratings of customer experience give a general picture, it is essential to look in more detail at particular dimensions of the experience in order to ascertain what may be driving customer ratings and to identify key areas for action. The dimensions of customer experience were introduced in Section 1.5.2.

4.4.5. Key driver analysis for Benefits and Credits customers

Key driver analysis was carried out using multivariate analysis of the overall rating of straightforwardness. The final analysis plots importance against performance in a quadrant diagram (Chart 4.16) with relative importance in driving the overall straightforward rating on the horizontal axis and performance on the vertical axis. A more detailed description of key driver analysis is in Appendix A.

Chart 4.16 Key drivers of straightforward: Benefits and Credits customers[15]
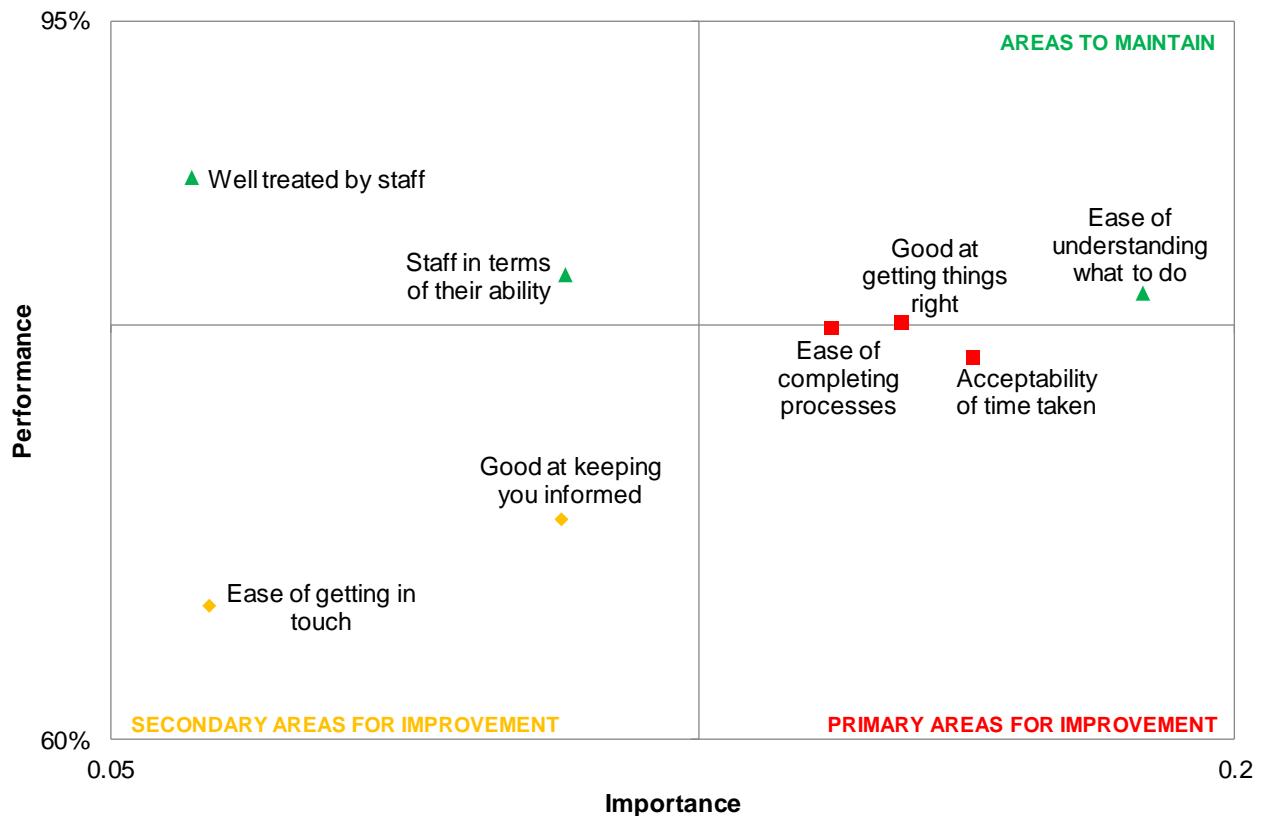
Square markers are used in the bottom right quadrant to signify primary areas for improvement, diamond markers for secondary areas for improvement in the bottom left and triangle markers for areas to maintain in the top right and to a lesser extent in the top left. Primary areas for improvement have a stronger influence on the overall rating of straightforward than secondary areas.

Performance is relatively high in the area with the largest influence on the overall rating of straightforward: ease of understanding what to do. This therefore needs to be maintained to maintain the overall straightforward rating.

Three areas were identified as being primary areas to target for improvement, due to their relatively prominent level of importance but lower than average performance rating. They were acceptability of time taken to reach an end result, how good HMRC were at getting things right and ease of completing the processes. However, it should be pointed out that these areas are all at or just below the median performance score, so performance is not a strong concern, although improvements could still be made.

Two further factors were identified as secondary areas for improvement. These areas, rated slightly lower both in terms of importance and performance, are keeping the customer informed of progress and ease of getting in touch. Ease of getting in touch had by some way the lowest performance score.

The remainder of this section will focus on measures which have shown significant change over time, or which have been identified as areas for improvement in the key driver analysis to help shed more light on potential areas for improvement.

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[15] R^2 is 0.59 meaning that 59% of the variance can be accounted for in the model.

4.4.6. Simplicity for Benefits and Credits customers

Simplicity includes three measures designed to find out how easy HMRC makes the experience for their customers, in terms of understanding what to do, completing processes, and getting in touch. Ease of completing the process was identified in the key driver analysis as a primary focus for improvement and getting in touch was identified as a secondary focus.

Chart 4.17 Measures of simplicity: Benefits and Credits customers (%)
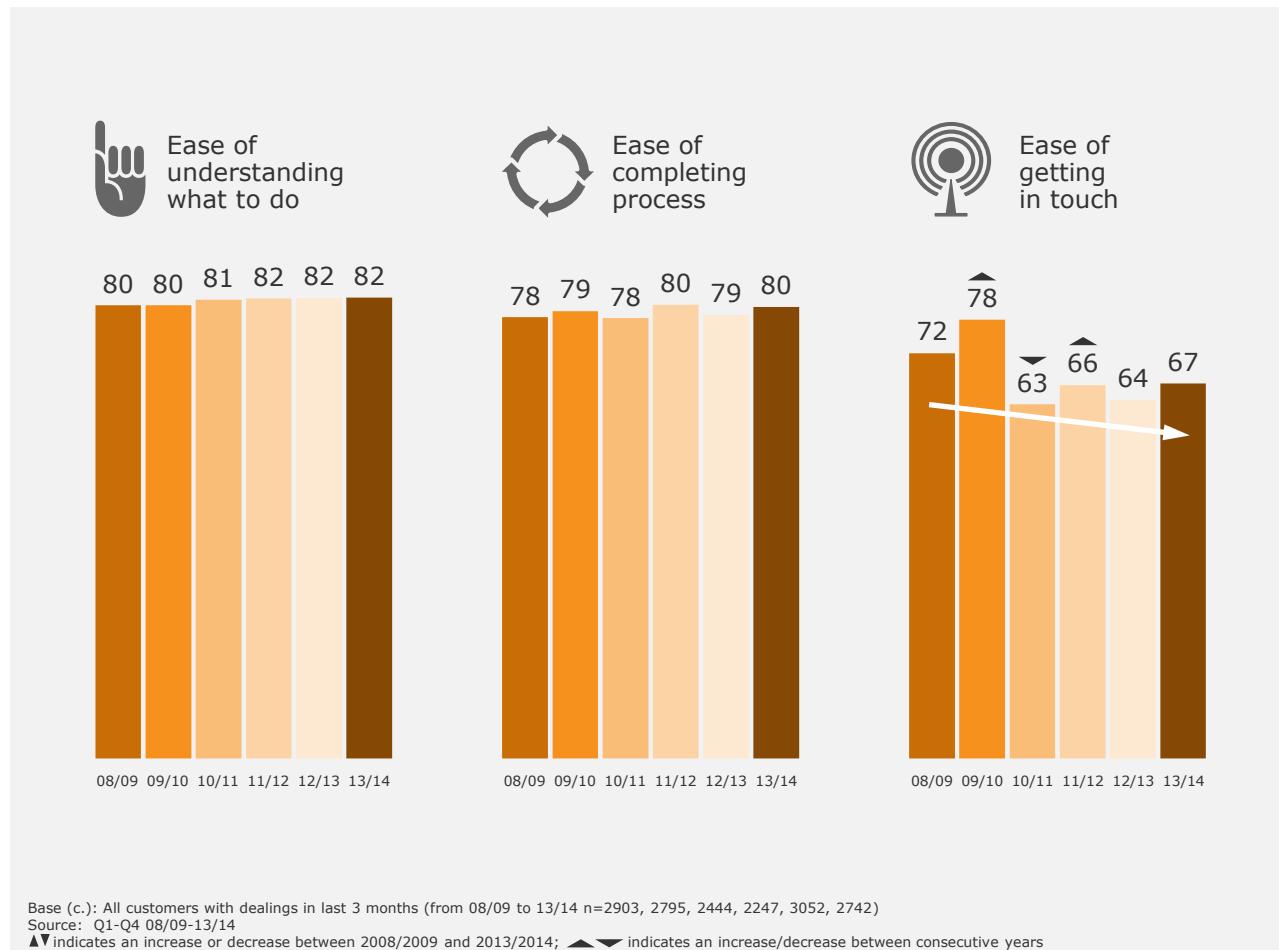
Base (c.): All customers with dealings in last 3 months (from 08/09 to 13/14 n=2903, 2795, 2444, 2247, 3052, 2742)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◢◣ indicates an increase/decrease between consecutive years

More than eight in ten Benefits and Credits customers felt that it was easy to understand what they needed to do (82%), and a similar number felt that it was easy to complete the processes (80%) related to their dealings. Both measures had remained relatively stable since 2008/09. Ease of understanding what to do was identified as a strong area of performance to maintain in the key driver analysis. Ease of completing the process was identified as a primary area to improve, although only a small improvement would be sufficient to move it into an area to maintain.

To understand the results further we can look at whether ratings differ for different groups. Those whose dealings involved making contact through the internet were less positive (74%) about the ease of completing the process, particularly those who used the internet first then went on to use another channel (75%), while those who used only one channel were more positive (83%).

In contrast to the other two simplicity measures, perceived ease of getting in touch had decreased since 2008/09 (67%, down from 72% in 2008/09), although there has been some fluctuation in the intervening years. This was identified as a secondary area to improve in the key driver analysis, and was the measure with the lowest performance score overall.

The decrease in ratings for ease of getting in touch was driven through dealings with Working Tax Credit (from 71% to 63%) and Child Tax Credit (from 73% to 66%). As with the overall rating, ratings for these two products have fluctuated each year, despite the overall downward.

Customers whose dealings were made through just one channel rating the ease of getting in touch more positively (71%).

4.4.7. Responsiveness for Benefits and Credits customers

Customers were asked to rate the responsiveness of HMRC in terms of how good HMRC were at giving them the information they needed, keeping them informed and how well staff treated them. Keeping the customer informed was identified as a secondary area for improvement in the key driver analysis.

Chart 4.18 Measures of responsiveness: Benefits and Credits customers (%)

Base (c.): All customers with dealings in last 3 months (from 08/09 to 13/14 n=2688, 2628, 2268, 2194, 2989, 2663)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◢◤◥ indicates an increase/decrease between consecutive years
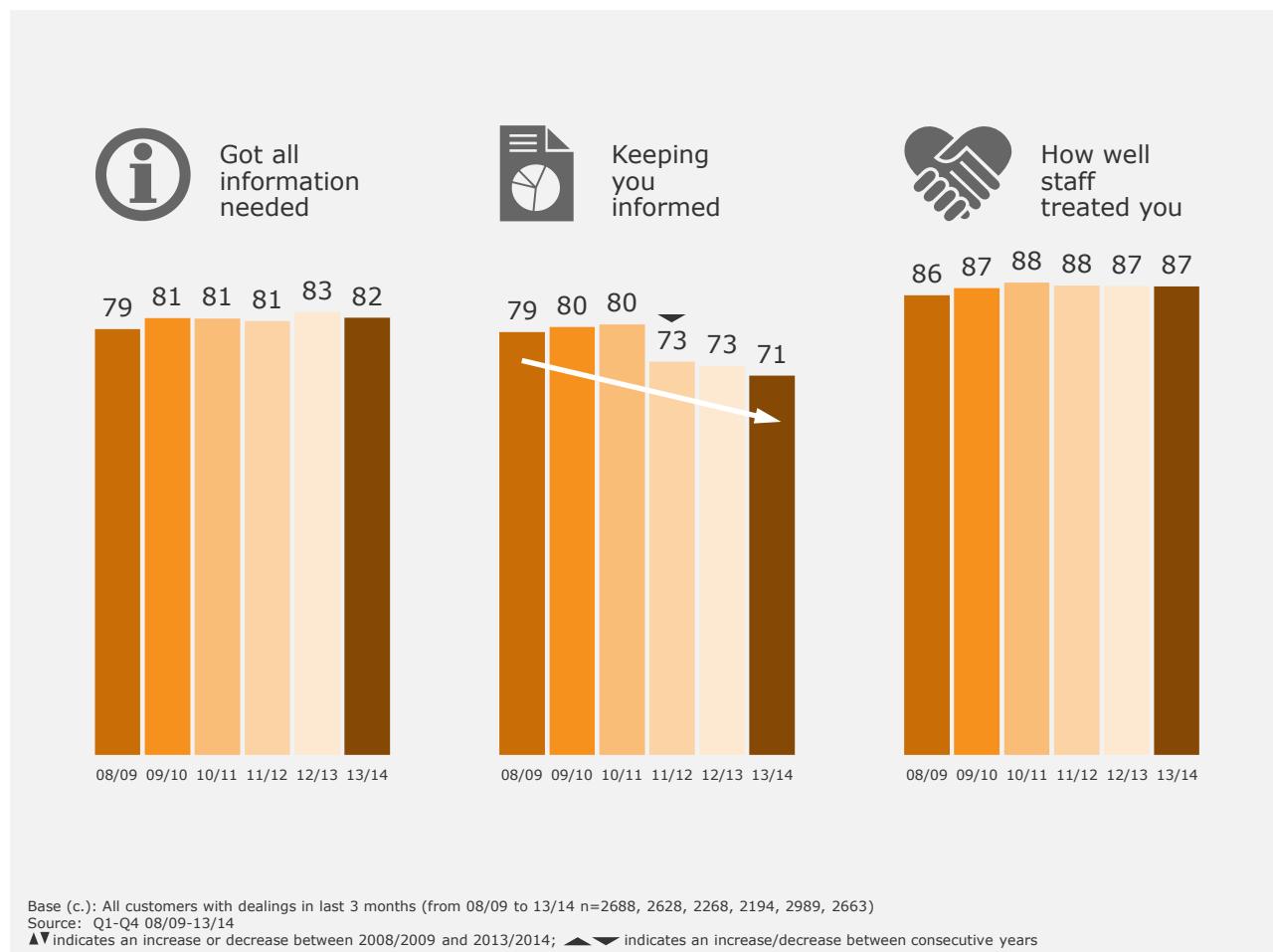
More than eight in ten Benefits and Credits customers felt that HMRC were good at making sure they got all the information they needed (82%), and that they were well treated by staff (87%) in relation to their dealings. Both measures had remained relatively stable at strong performance levels across the six years of the survey.

How good HMRC was at keeping the customer informed about progress was rated highly by eight in ten Benefits and Credits customers between 2008/09 and 2010/11, but this decreased to 73% in 2011/12, remaining at that level in 2013/14 (71%). The decrease between 2010/11 and 2011/12 was driven through dealings with Child Benefit and Child Tax Credits. There was a further decrease in ratings among Child Benefit customers between 2012/13 and 2013/14 from 79% to 69%.

Benefits and Credits customers aged 55+ rated being kept informed lower (61%), as did those who had used multiple channels but the internet first (62%). Those who used only one channel were more positive (77%).

4.4.8. Reliability and Speed for Benefits and Credits customers

Ratings of reliability and speed included how good HMRC were at getting things right, the staff in terms of their ability to deal with the issues and the acceptability of the time taken to reach a final outcome. The measures for both staff's ability to deal with the issue and the acceptability of time taken were added to the survey in 2011/12.

Both acceptability of time taken and getting things right were identified as primary areas for improvement in the key driver analysis, although as both measures are located at the top of the bottom right quadrant, only a small improvement would be necessary to move it into the top right.

Chart 4.19 Measures of reliability: Benefits and Credits customers (%)

Base (c.): All customers with dealings in last 3 months (from 08/09 to 13/14 n=2797, 2696, 2362, 2176, 2966, 2653)
Source: Q1-Q4 08/09-13/14
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◢◣ indicates an increase/decrease between consecutive years
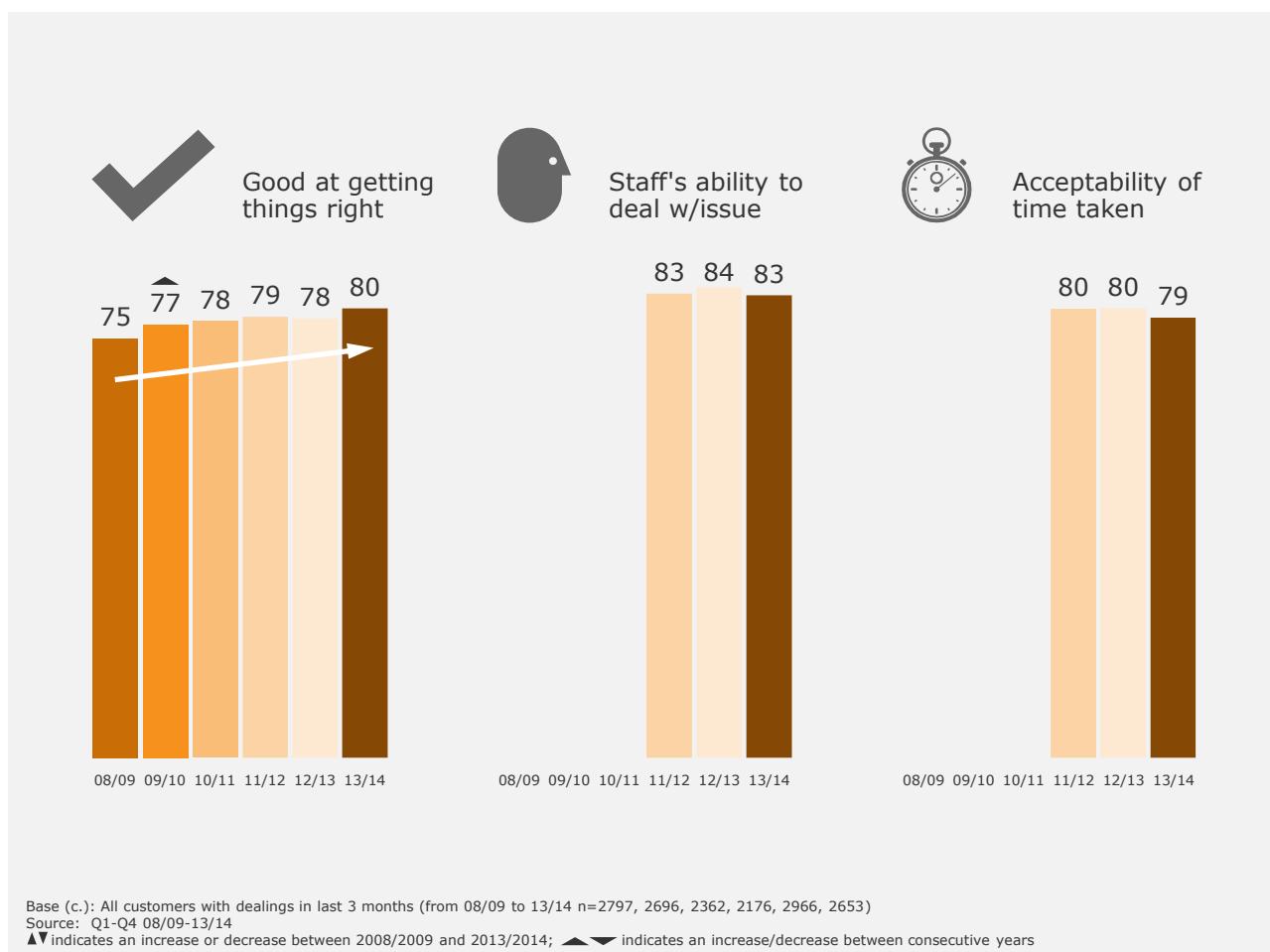
Ratings Benefits and Credits customers gave for how good HMRC were at getting things right increased between 2008/09 and 2013/14 (80%, up from 75%). The increase was driven through dealings with Working Tax Credit (80% up from 71% in 2008/09) and Child Tax Credit (80% up from 75% in 2008/09). Ratings for dealing with Child Benefit were highest at 85%.

Those in full time work were less positive about how good HMRC were at getting things right (76%) as were those aged 55+ (68%). Those whose dealings involved visiting the website (75%) and those who made contact with HMRC via the website (75%) or by post (68%) also gave lower ratings for how good HMRC were at getting things right. Customers who used only one channel were more positive (84%).

The first of the remaining measures was the ability of staff to deal with the issue, which was rated positively by 83% of Benefits and Credits customers, while the second new measure, acceptability of time taken to reach a final outcome was rated positively by 79%. These were both consistent with ratings given since the measures were introduced. The latter measure was identified as a primary area to improve.

Customers with a disability rated the acceptability of the time taken to reach an end result less positively (73%), as did those who made contact with HMRC via the internet (69%), and especially those who contacted via the internet in the first instance and then followed up using another channel (73%). Customers who used only one channel were more positive (82%).

4.5. Reputation

Every second quarter (Q2 and Q4) a module is included in the customer survey to measure HMRC's reputation among those who may or may not have had any recent direct dealings with the Department and therefore encompass a broader target population than the customer experience questions.

These questions were developed to provide measures to track HMRC's reputation and to evaluate the performance of its values over time among different audiences. Questions about reputation were asked of a representative sample of customers and not just those who had dealt with HMRC in the previous three months. This means that questions about reputation are not linked to any specific dealings but to customers' general perceptions. This means that this section covers all Individuals, and is not split into Personal Tax and Benefit and Credit customers in the same way as the customer experience sections in this report.

Measurement was integrated within the Customer Survey from 2008, although the measures were substantially changed in 2010/11. This chapter focuses on the findings from 2013/14, and draws on any significant changes from 2010/11 (or 2008/09 where measures have remained unchanged).

4.5.1. Familiarity

It is important to establish familiarity (in conjunction with frequency of dealing with HMRC) to help determine the extent to which opinions of HMRC are likely to be based on experience or other influences such as word of mouth or the media. Individuals reported a moderate level of familiarity with HMRC, and while the majority knew at least a little (74%), only five per cent of Individuals felt they knew a lot about HMRC. These levels have changed very little over the six years of the survey. However, the number reporting to have heard of HMRC but know almost nothing about them decreased (from 20% to 17%), while the number who said they had not previously heard of HMRC increased (from 4% to 8%).

Chart 4.20 Familiarity (%)

Base: All individuals (from 08/09 to 13/14 n=2120, 2020, 2070, 2763, 2683, 2874)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◢◣◥ indicates an increase/decrease between consecutive years
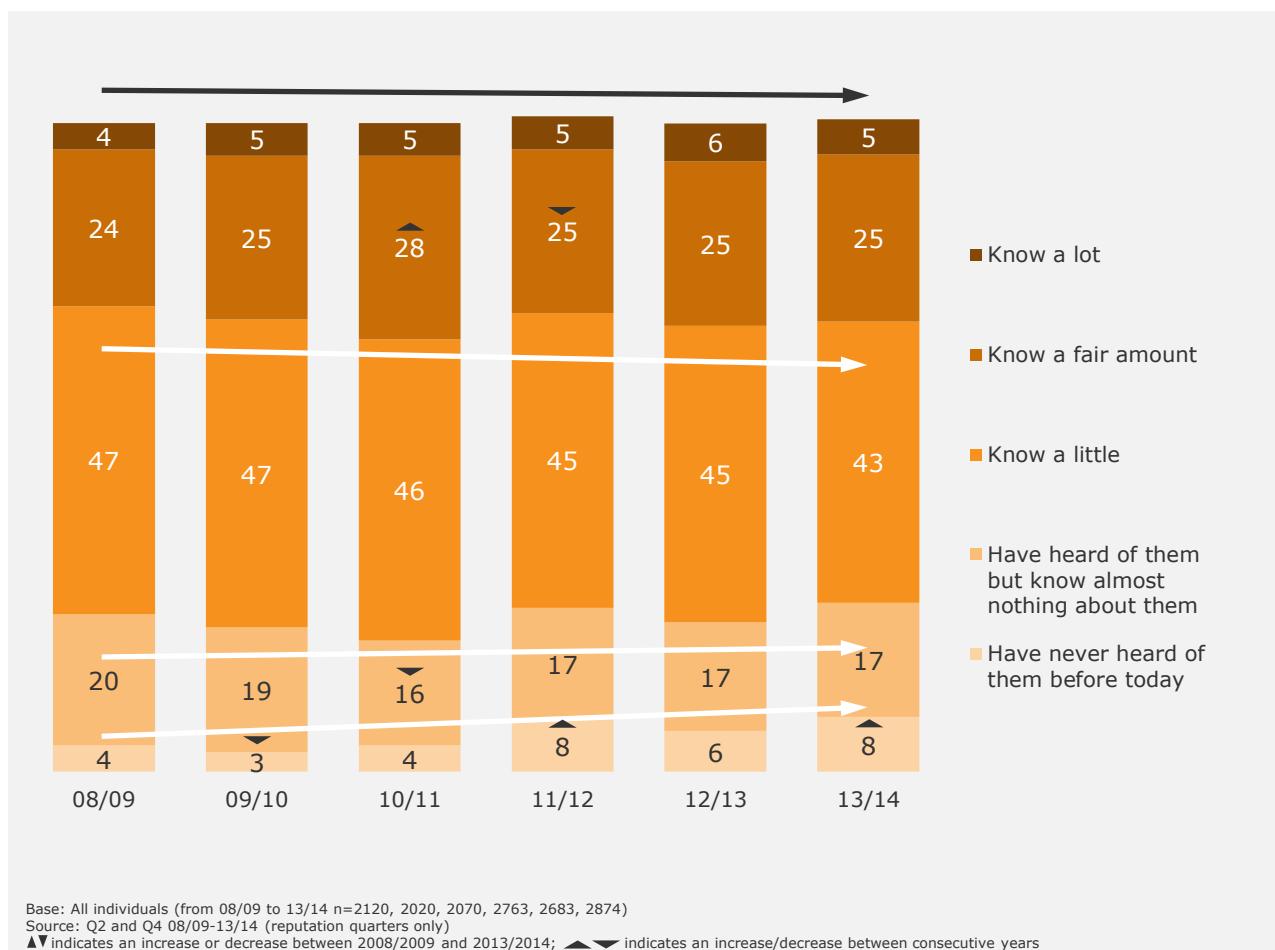
4.5.2. Measures of reputation

The customer survey looks at several additional measures which may well influence the overall reputation of HMRC. Some of these were added in 2010, but where data is available, comparisons will be made with data back to 2008.

4.5.3. Key driver analysis

Key driver analysis was carried out using multivariate analysis of an overall measure (favourability). The final analysis plots importance against performance in a quadrant diagram with relative importance in driving favourability on the horizontal axis and performance on the vertical axis (Chart 4.21). A more detailed description of key driver analysis is in Appendix A.

Chart 4.21 Key drivers of overall favourability[16]
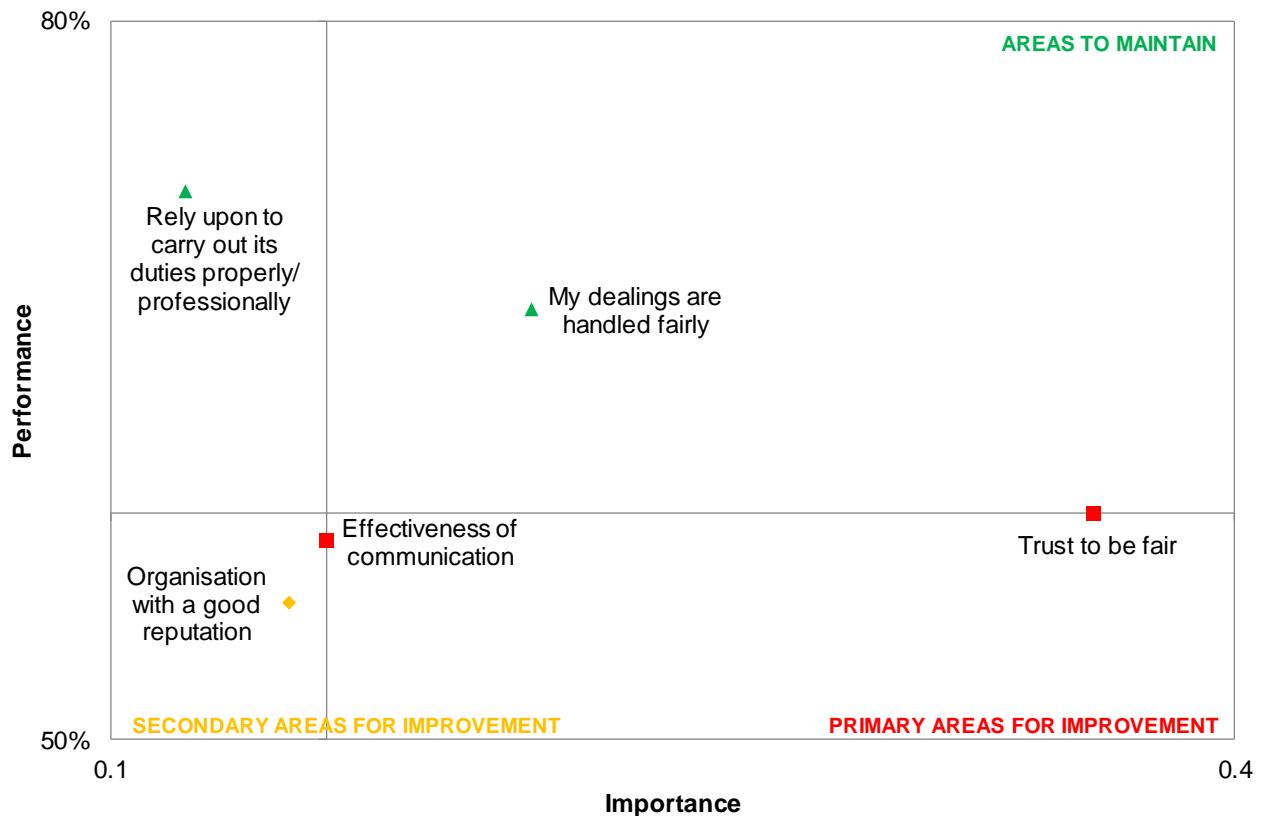
Square markers are used in the bottom right quadrant to signify primary areas for improvement, diamond markers for secondary areas for improvement in the bottom left and triangle markers for areas to maintain in the top right and to a lesser extent in the top left. Primary areas for improvement have a stronger influence on the overall rating of favourability than secondary areas.

Trust in HMRC to be fair was found to be particularly dominant in the model that explored overall favourability, and due to its relatively poor performance rating is a key area for improvement. The model also identified effective communication as a primary focus for improvement as performance is also relatively low.

That HMRC is an organisation with a good reputation was identified as a secondary focus for improvement, as it has a lower rating for importance but is also the area where performance has the poorest rating. Dealing with customers fairly and carrying out duties properly and professionally are areas with strong performance and therefore should be maintained.

4.5.4. Fairness

Fairness includes three measures; trust in HMRC to be fair, the extent to which dealings are handled fairly and the extent to which HMRC treats all its customers fairly. Trust in HMRC to be fair is an area identified by the key driver analysis as a primary area of improvement.

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[16] R^2 is 0.38 meaning that 38% of the variance can be accounted for in the model.

Chart 4.22 Measures of fairness (%)
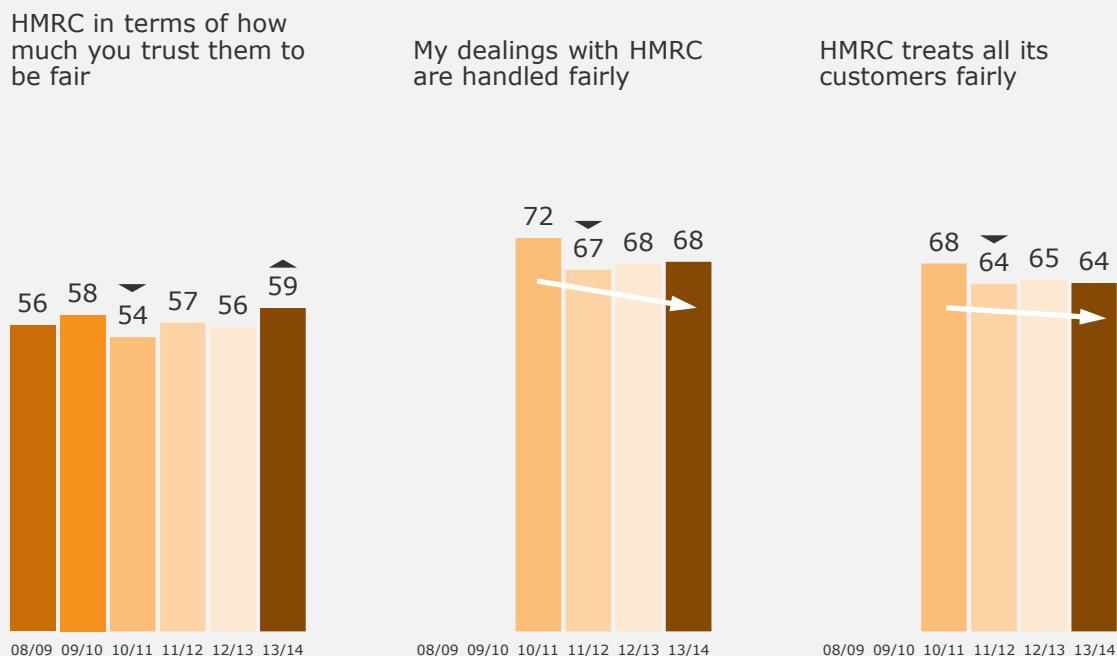
HMRC in terms of how much you trust them to be fair

| 56 | 58 | ▼54 | 57 | 56 | ▲59 |
| 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |

My dealings with HMRC are handled fairly

| 72 | ▼67 | 68 | 68 |
| 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |

HMRC treats all its customers fairly

| 68 | ▼64 | 65 | 64 |
| 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |

Base (c.): All individuals who have heard of HMRC (from 08/09 to 13/14 n=2003, 1936, 1965, 2530, 2506, 2627)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ▲▼ indicates an increase/decrease between consecutive years

Of the three fairness measures, trust in HMRC to be fair is the only one to have been asked since 2008/09. Ratings remained reasonably consistent across the six years of the survey (59% in 2013/14), with the emergence of an upward trend in the last year, up from 56%.

The increase between 2012/13 and 2013/14 was not driven by any sub-group in particular. Those who have had recent dealings with HMRC were more likely to give a positive rating (68% compared with 56% of those with no recent dealings). By gender, men were more positive (62%) than women (57%).

The perception that customer dealings are handled fairly by HMRC was rated positively by two thirds of Individuals in 2013/14 (68%). This measure decreased from 72% to 67% in 2011/12 but remained steady between 2011/12 and 2013/14.

Those with dealings in the last three months were more likely to believe that HMRC handled their dealings fairly (82% compared with 63% of those without recent dealings). The decrease in ratings was reflected for Individuals who had not dealt with HMRC in the last three months (down from 69% in 2010/11). There was no change in the ratings given by Individuals who had had a recent dealing, meaning this change in perceptions was not based on recent personal experience. By gender, again men were more positive (72%) than women (64%), as were the self employed (77%).

Two thirds of Individuals agreed that as far as they knew HMRC treated all its customers fairly (64%) in 2013/14. This measure decreased from 68% to 64% in 2011/12 but remained steady between 2011/12 and 2013/14. Positive ratings for this measure decreased by age, with 72% of 16-34 year olds agreeing compared to 60% of those aged 55+.

The decrease in ratings for 'HMRC treats all its customers fairly' was observed for Individuals who had not dealt with HMRC in the last three months (62% down from 67% in 2010/11) but not Individuals with recent dealings. Ratings given by Individuals working full time had also decreased in the same time (64%, down from 70%) where they had not for other employment groups.

4.5.5. Favourability

Favourability includes three measures; HMRC is an organisation I can trust, HMRC is an organisation with a good reputation and overall favourability of opinion and impression. HMRC is an organisation with a good reputation is an area identified by the key driver analysis as a secondary area of improvement.

Chart 4.23 Measures of favourability (%)
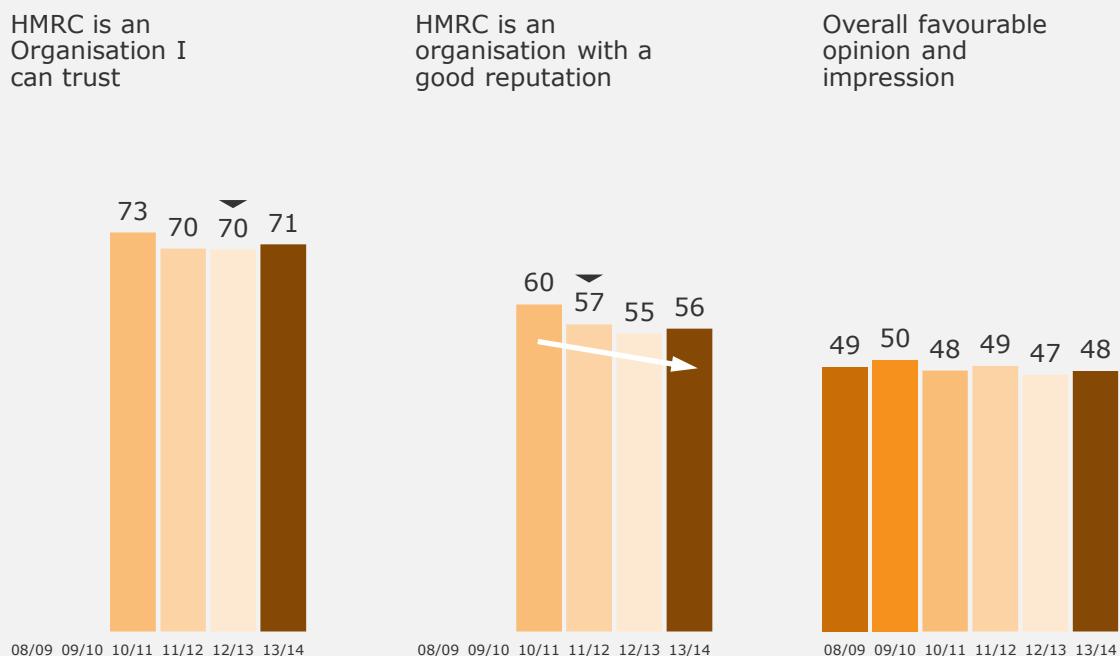
Base (c.): All individuals who have heard of HMRC (from 08/09 to 13/14 n=2003, 1936, 1965, 2530, 2506, 2627)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◣◢ indicates an increase/decrease between consecutive years

The perception that HMRC is an organisation that can be trusted was rated positively by seven in ten Individuals (71%). This has remained stable over the last four years with only minor changes between years.

Ratings for HMRC as an organisation with a good reputation decreased from 60% in 2010/11 to 56% in 2013/14, although that decrease occurred between 2010/11 and 2011/12. The decrease in ratings was evident for those who had not had a recent dealing with HMRC. Individuals that had not dealt with HMRC in the last three months rated HMRC less positively in 2011/12 than in 2010/11 as an organisation with a good reputation (56% down from 61% in 2010/11).

In 2013/14 customers without recent dealings were more positive (57% compared to 51% for those with a recent dealing) and those aged 16-34 were also more positive (63%), but otherwise there were no notable differences.

Overall favourability was the only favourability measure to have been asked since 2008/09 and in that time ratings had remained reasonably steady (48% in 2013/14).

4.5.6. Trust

Trust includes three measures; HMRC can be relied upon to carry out its duties properly and professionally, HMRC can be relied upon to act with honesty and integrity and HMRC can be relied upon to look after customer's interests (Chart 4.24).

Chart 4.24 Measures of trust (%)

Base (c.): All individuals who have heard of HMRC (from 08/09 to 13/14 n=2003, 1936, 1965, 2530, 2506, 2627)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◢◣ indicates an increase/decrease between consecutive years
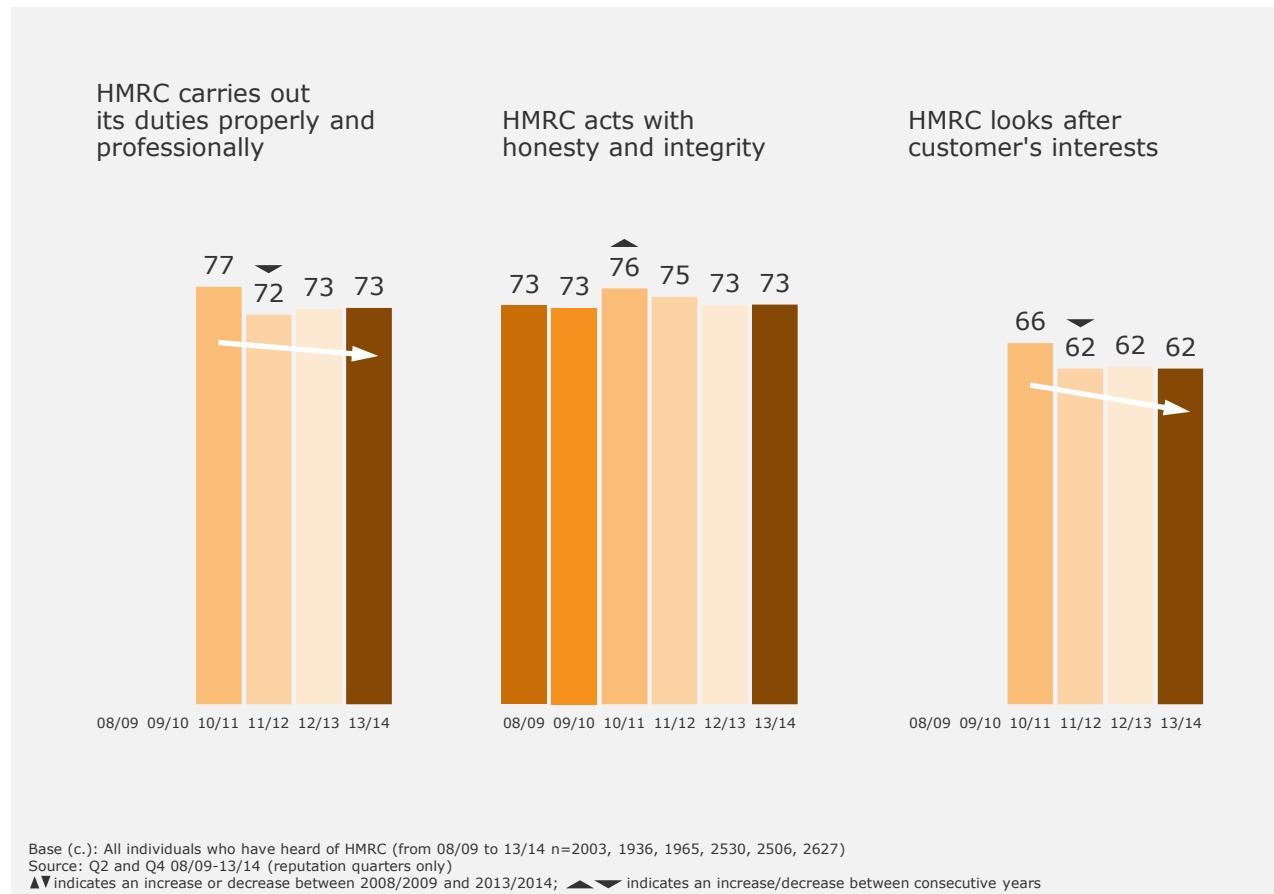
Ratings for how well HMRC carries out its duties properly and professionally decreased from 77% in 2010/11 to 73% in 2013/14. This decrease took place between 2010/11 and 2011/12, with no further decrease since then. Ratings given by those without a recent dealing decreased between 2010/11 and 2011/12 (69%, down from 76%) which drove the overall decrease. There were no notable differences by subgroup in 2013/14.

Ratings for how well HMRC can be relied on to act with honesty and integrity remained reasonably steady between 2008/09 and 2013/14 (73%), with minor changes in intervening years.

As with the first trust measure, the final trust measure (HMRC can be relied upon to look after customer's interests) also fell between 2010/11 (66%) and 2011/12 (62%), with no further change since then. The decrease was reflected in ratings given by those without a recent dealing (59% in 2011/12, down from 66% in 2010/11). The self employed (52%) gave lower ratings which is consistent with previous years.

4.5.7. Communications and stories

The communications theme comprises two measures; effectiveness of communication and HMRC protects my business information, while the stories theme is made up of the measure 'HMRC are good at

collecting our money but not at paying it out' (Chart 4.25). Effective communication was identified as a primary area to improve in the key driver analysis.

Chart 4.25 Measures of communications and stories (%)
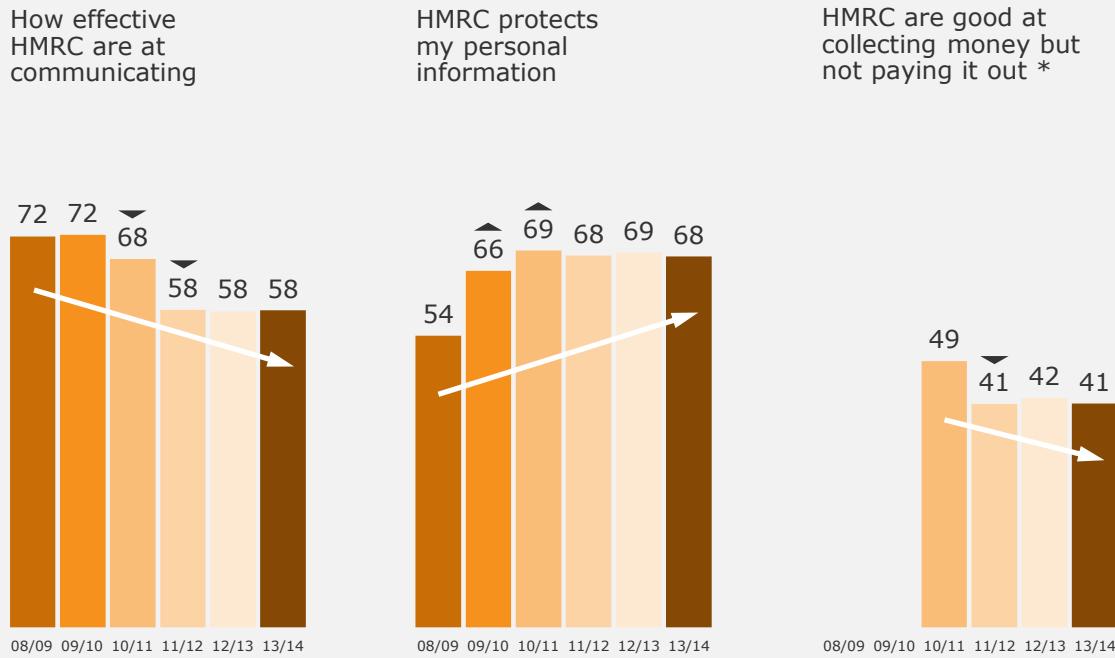
How effective HMRC are at communicating

HMRC protects my personal information

HMRC are good at collecting money but not paying it out *

	08/09	09/10	10/11	11/12	12/13	13/14
How effective HMRC are at communicating	72	72	68 ▼	58 ▼	58	58
HMRC protects my personal information	54	66 ▲	69 ▲	68	69	68
HMRC are good at collecting money but not paying it out *		49	41 ▼	42	41

* Response scale for this question is reversed so a lower score indicates a positive attitude

Base (c.): All individuals who have heard of HMRC (from 08/09 to 13/14 n=2003, 1936, 1965, 1286, 1251, 1328)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ▲▼ indicates an increase/decrease between consecutive years

Ratings for effectiveness of communication decreased from 72% in 2008/09 to 58% in 2013/14, although the decrease occurred between 2008/09 and 2011/12. The decrease was largely universal across Individuals subgroups. Those with dealings with HMRC in the last three months were more likely to feel that HMRC were effective at communicating (65% compared with 55% of those without recent dealings).

In contrast, the belief that HMRC protects personal information increased from 54% in 2008/09 to 68% in 2013/14, although had remained stable since 2010/11.

Ratings for HMRC are good at collecting our money but not at paying it out decreased between 2010/11 and 2013/14 (41%, down from 49%). As with a number of other measures, this decrease occurred between 2010/11 and 2011/12, with no further change since then. However, in this case a decrease is positive as the response scale for this question was reversed so a lower score indicates a more positive attitude.

4.5.8. Support, compliance and other
The remaining reputation measures were ones of support (I would give HMRC the benefit of the doubt if they were criticised), compliance (it's not a big deal to pay your taxes late) and the extent to which HMRC treat customers as honest.

Chart 4.26 Measures of support, compliance and other (%)
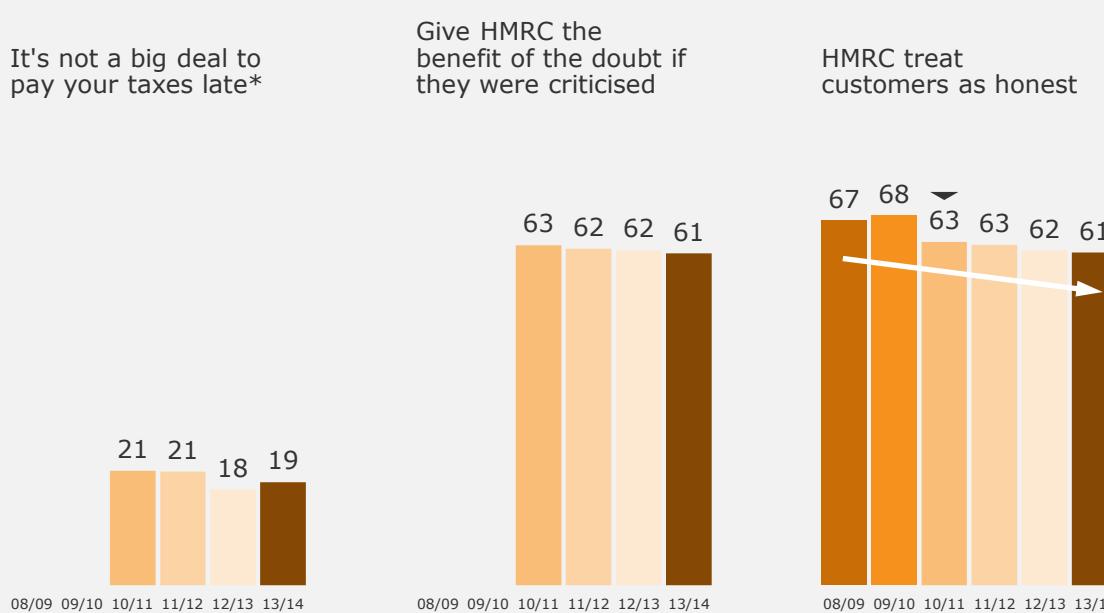
It's not a big deal to pay your taxes late*

		21	21	18	19
08/09	09/10	10/11	11/12	12/13	13/14

Give HMRC the benefit of the doubt if they were criticised

		63	62	62	61
08/09	09/10	10/11	11/12	12/13	13/14

HMRC treat customers as honest

67	68 ▼	63	63	62	61
08/09	09/10	10/11	11/12	12/13	13/14
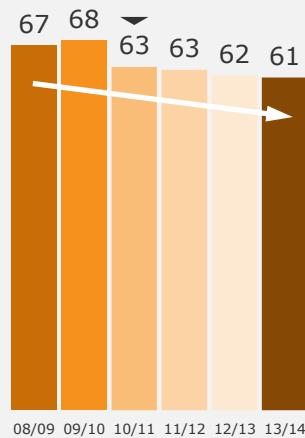
* Response scale for this question is reversed so a lower score indicates a positive attitude

Base (c.): All individuals who have heard of HMRC (from 08/09 to 13/14 n=2003, 1936, 1965, 1286, 1251, 1328)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ▲▼ indicates an increase/decrease between consecutive years

Ratings for 'it's not a big deal to pay your taxes late' stayed at the same level between 2010/11 and 2013/14 (19%). Similarly, ratings for giving HMRC the benefit of the doubt if criticised have remained at a constant level since the measure was introduced in 2010/11 (61% in 2013/14).

The final reputation measure rated HMRC in terms of whether they treat their customers as honest. Ratings decreased from 67% in 2008/09 to 61% in 2013/14.

Ratings for treating customers as honest declined with age, from 68% of 16-34s down to 59% of those aged 65 and over. Ratings among Individuals aged 65+ had decreased from 67% in 2008/09.

4.6. Segmentation

HMRC has developed an attitudinal segmentation of its Individuals customers, based on four dimensions: awareness of requirement to comply, motivation to comply, ability to comply, and opportunity not to comply[17]. Individuals can be broken down by these segments, derived from a set of questions within the survey (Chart 4.27).

Chart 4.27 Individuals segment size over time (%)

Base: All individuals (from 08/09 to 13/14 n=6554, 6336, 6490, 4981, 4615, 4850)
Source: Q2 and Q4 08/09-13/14 (reputation quarters only)
▲▼ indicates an increase or decrease between 2008/2009 and 2013/2014; ◣◢▼ indicates an increase/decrease between consecutive years
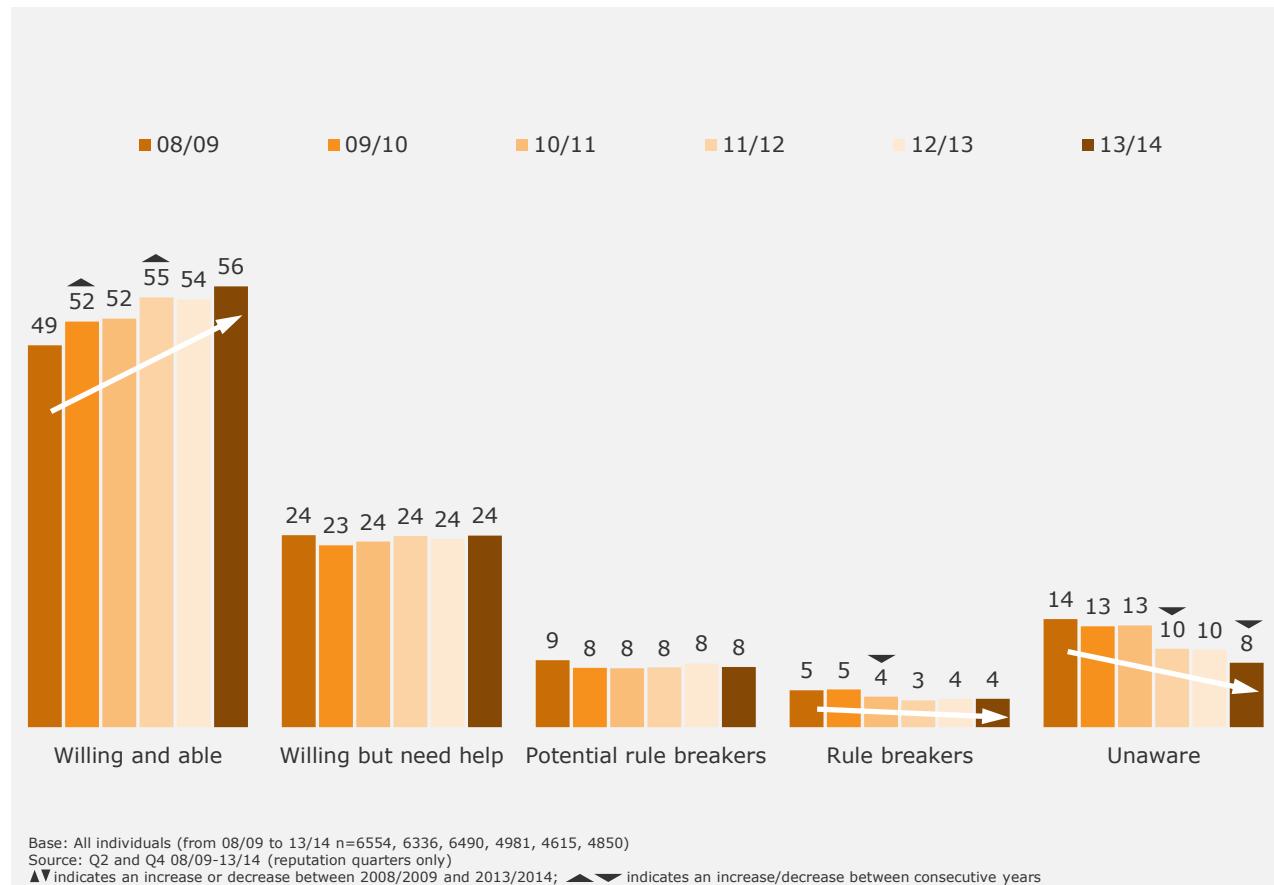
In 2013/14 slightly more than half of Individuals fitted in to the 'willing and able' segment (56%, up from 49% in 2008/09). A quarter were 'willing but needed help' (24%), one in ten were identified as 'potential rule breakers' (8%) and just four per cent were categorised as rule breakers. The remaining 8% of individuals were categorised as unaware, which had decreased from 14% in 2008/09.

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[17] For further information, see HMRC Research Report 92, http://www.hmrc.gov.uk/research/individuals-prioritisation-publication.pdf

5.
Appendix A: Method

5.1. Data collection method

Three key groups of customers are included in the survey: individuals, SME businesses and financial agents. The same data collection method is used for all three: Computer Assisted Telephone Interviewing. This offers advantages over a paper based approach of data quality, and efficiency of fieldwork and data entry. The fieldwork is set up as one survey for each customer group.

5.2. Sampling method

Respondents for the survey are selected using Random Probability sampling. This is the most robust sampling method available and statistical techniques can be used on the results to provide confidence about the true level of change over time. In 2011 the sampling approach was reviewed in line with the 2010 Spending Review priorities, and the method was revised accordingly. Full details of the changes can be found in the HMRC Customer Survey 2011-15 Development Project report [18].

Sample for individuals is selected using list-assisted Random Digit Dialling (RDD). This means telephone numbers were selected at random from Ofcom's database containing UK landline number blocks allocated for residential use. All numbers are phoned, and screened to identify residential households. When a household includes more than one eligible respondent, one adult is selected at random to take part in the survey.

SME and Agent samples are selected from the Inter Departmental Business Register (IDBR). This contains all businesses that are either VAT registered or have a PAYE system in place. The local business unit was selected as the sample unit as dealings with HMRC can be carried out at all levels within the business. There are some businesses that are not listed on IDBR, mainly self-employed individuals. HMRC's Self Assessment database is, therefore, used to supplement the IDBR samples.

In 2011/12 the National Insurance & PAYE System (NPS) which records Class 2 NI liabilities as soon as an individual informs HMRC that he/she is self-employed was added to the SME sampling frame. This sample enables us to include newer businesses that were not yet covered by SA.

In SME and Agent businesses interviewers were asked to identify the most senior person responsible for dealing with HMRC for the interview. They were allowed to accept deputies if there was no chance of speaking to the first choice contact.

5.3. Survey timing

Fieldwork for all three customer groups is carried out quarterly, completed in February/March, May/June, August/September and November/December each year. This allows any differences resulting from seasonality to be accounted for, by comparing quarters at the same time of year, or comparing data for full years.

5.4. Survey structure and size

The survey reduced in size in 2010/11 and again in 2011/12. The following tables show the approximate number of interviews for each year.

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[18] HMRC Customer Survey 2011-15 Development Project, February 2011:
http://www.hmrc.gov.uk/research/report153.pdf

Table 5.1 Approximate numbers of interviews

| Module	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Customer experience						
Agents	7,100	7,200	5,900	3,000	2,300	2,300
SME	8,100	8,000	7,300	4,200	3,600	3,600
Personal Taxes	4,500	4,500	4,000	2,900	2,900	3,000
Benefits and Credits	3,000	2,900	2,500	2,300	3,100	2,800
Reputation						
Agents	2,700	1,800	1,800	2,300	2,300	2,300
SME	1,500	1,500	1,500	2,300	3,600	3,600
Individuals	2,100	2,000	2,100	2,800	2,600	2,600

The survey is modular in nature. Every quarter all customers in the sample are contacted to identify those who have had any dealing with HMRC in the previous three months. These customers are then interviewed about their experience. This equates to around a third of individuals, three in four businesses and almost all agents.

Every second quarter, a random sample of customers (with and without dealings in the previous three months) is selected to answer questions about HMRC's reputation. This includes some customers who are being asked about their customer experience, and others who are just asked the reputation questions.

5.5. Questionnaire content and length

The questionnaire is made up of a number of modules. There are modules of questions included in the questionnaire which have not been reported in this report. The charts below show eligibility for the different sections of the questionnaire in different quarters. In quarters when reputation is not measured (i.e. core quarters), type two of the survey is asked of all respondents (only those with recent dealings are interviewed about their customer experience).

Agents

A. Screener	B. Experience	C1. Change	D. Reputation	E. Segment'n	F. Demogs

C2. Records Comm Und'g	C3. Agent information

Core

A → B —1 in 2→ **C1** → F   Core V1
        —1 in 2→ F   Core V2

Reputation

A —1 in Core→ B —1 in 2→ **C2** → D → E → F   Core & rep 1
              —1 in 2→ **C3** → D → E → F   Core & rep 2
    Remainder of Core → D → E → F   Rep only
    Non Core → D → E → F   Rep only

SME

A. Screener	B. Experience	C1. Change	D. Reputation	E. Segment'n	F. Demogs

C2. Approach Education	C3. Record Keeping

Core

A → B —1 in 2→ **C1** → F   Core V1
        —1 in 2→ F   Core V2

Reputation

A —1 in Core→ B —1 in 2→ **C2** → D → E → F   Core & rep 1
              —1 in 2→ **C3** → D → E → F   Core & rep 2
    Remainder of Core → D → E → F   Rep only
    Non Core → D → E → F   Rep only

Individuals

A. Screener	B. Experience	C. Approach	D. Reputation	E. Segment'n	F. Demogs

Core

A → B → F

Reputation main

A —Core→ B → C —1 in n→ D → E → F   Core & rep
              Rest of Core → E → F   Core only
Non Core —1 in n→ D → E → F   Rep only

B&C boost

A —Core→ B → C → E → F   Core only

5.6. Response rates

Response rates are estimated at around 40%-45% for SME businesses and 50%-55% for Agents, and around 20% for individuals each quarter. These are estimated figures as assumptions are used for numbers where no final outcome is achieved (e.g. no answer).

It is difficult to estimate an accurate response rate for the Random Digit Dialling survey of individuals, since many of the telephone numbers are never answered. Where numbers are not answered it is impossible to determine whether these are residential phone numbers that are currently in use, or not, so the true response rate may be higher than the 20% reported above. Where someone answered the phone, around 45% of households agreed to take part in the survey.

5.7. Corrective weighting

Design weights are applied to the final individuals data to correct for oversampling of households with multiple landlines (a household with two lines has two chances of being contacted, for example), and under-representation of people living in multi-adult households (someone in a one person household has a one-in-one chance of being selected, whilst in a two person household each person only has a one-in-two chance). This weighting gives a 'design effect' of 1.33 for the customer experience questions and 1.26 for the reputation questions that needs to be taken into account when calculating confidence intervals or testing for significant changes between waves of research.

Weighting is also applied to the SME data to correct for the over-sampling of larger business units (defined by number of employees), and differential response rates by size of business to return them to the population profile. A design effect of 1.51 is applied to the customer experience data, and to the reputation data when calculating confidence intervals or testing for significance of change over time.

Similar weights were applied to the Agent sample to correct for slight differences in response rates by size of business unit. A design effect of 1.13 is applied to the customer experience data, and 1.12 to the reputation data when calculating confidence intervals or testing for significance of change over time.

5.8. Adjusted scores due to changes in sampling

From 2011/12, the results were not directly comparable with the previous survey because the sample now includes groups who were not previously sampled e.g. newer and smaller SME businesses and Tax Agents. To enable comparisons between the old and new scores we have calculated the likely difference in scores caused by changes to the sample.

This process involves three stages. The first stage involves calculating what the new survey scores would be if we had continued using the previous sample methodology. This is done by calculating a continuity weight to match the old survey sample structure.

- For Tax Agents this means weighting the IDBR sample to exclude agriculture and excluding the SA sample.
- For SME businesses this is more complex and involves weighting the SA and NPS SME samples to approximate the previous SA sample and excluding businesses under 2 years old and those above the VAT threshold. It also involves weighting the IDBR sample excluding agriculture.

The next step is to produce a second weight based on the new sample design (accounting for the inclusion of newer businesses, and agriculture, and to account for any non-response bias) and comparing the results of the different weights for all the measures being tracked across time.

The final step is to calculate the 'odds ratio' between both weights in order to estimate an adjustment factor for each dimension in the measure. This is the amount by which each dimension score differs due to the change in sample. We use these factors to adjust the old survey scores and create a best estimate score for each service dimension.

5.9. Key driver analysis

Key driver analysis is carried out using multivariate analysis of an overall measure of service rating for each customer group (businesses, agents, individuals, individuals dealing with personal taxes, individuals dealing with benefits and credits). This analysis produces a list of issues together with an indication of their relative importance to the respondents in terms of service rating. The final analysis plots importance against performance in a quadrant diagram. This plot is divided into four with lines at the median importance and performance scores.

Step 1 – Relative importance scores

The relative importance scores are derived using multiple linear regression. This tests theories of patterns in the data. Here the theory is very simple: that customers' rating of their most recent dealings is a result of the treatment they received. In other words we have one consequence (service rating) and many causes (the ratings of the different parts of the encounter). We want to find the best way of predicting the consequence (often called the dependent variable), from the optimum weighted combination of the causes (often called independent variables). When the causes and consequence are expressed in scales the most appropriate technique is the weighted linear equation, viz:

Dependent = B_1 x Independent1 + B_2 x Independent2 + B_3 x Independent3 etc

For example:

Service rating = B_1 x Ease of understanding + B_2 x being kept informed + B_3 x ease of getting in touch + (etc)

B_1, B_2, B_3 are multiple linear regression coefficients. They are usually standardised (to take account of different scale lengths, different numbers of people answering and so on) to become Betas. These are the coefficients commonly used to depict the relative importance of independent variables. They run from 0 to ± 1.0 – the bigger the Beta, the stronger the relationship.

These beta coefficients (also known as scores) form the basis of the indicator calculation. These scores may not add to a total of 1 and are therefore rescaled to add up to one before plotting on the quadrant diagram.

The analysis is run as an iterative process. First the correlation between the dependent variable (straightforwardness rating) and the independent variables (the customer experience dimensions) are calculated.

First a model is run with all possible independent variables included. In addition, an assessment is made of how strongly correlated each of these variables is with each of the others. If two are very strongly correlated, this usually results in a relatively low beta score for both. Removing the weaker one of these variables from the model will then allow the remaining variable to show more clearly the influence it has on the dependent variable.

The strength of the final model is expressed as $R^2=x$. This means the model explains x% of the variance in service ratings. The closer the R^2 score is to 1, the better the model. In such models we usually see

scores from around 0.3 to 0.6. The highest R^2 value is likely to be achieved with all dependent variables included in the model. However, this is not usually the model selected, as it contains variables that are too strongly correlated with each other, thus depressing the apparent influence those variables have on service ratings (see explanation above). The final model selected will be one in which each independent variable has a set level of influence (i.e. beta score above a certain level) and which retains a relatively high R^2 value.

Step 2 – Performance scores

The performance scores are derived from the answers given in the survey. For example, respondents were asked "how easy was it to get in touch with HMRC" and were asked to choose one of five answers – Very easy, fairly easy, neither easy nor difficult, fairly difficult or very difficult.

Step 3 – Plotting scores in quadrant diagram

The key driver analysis gives a list of key drivers, together with their relative importance, and performance scores.

In order to give a visual representation of this information, the data can be plotted in a quadrant diagram, with relative importance in driving straightforwardness on the horizontal axis and performance on the vertical axis. This plot is then divided into four with lines at the median importance and performance scores. The key area in this diagram is the quadrant to the bottom right – issues in this quadrant are those of high customer importance but low perceived performance, relative to the other issues. These should be the main focus for improvement in order to improve straightforward levels in the future. Those in the bottom left are issues of relatively low performance, but also lower importance, and are therefore issues for secondary importance. The top right quadrant contains issues of high importance, but also of higher performance relative to other issues and these are issues that need to be maintained in order to keep service ratings high.