

***Research report***

# Customer testing of the RTI400 Letter

Research to test two versions of the RTI400 letter  
to inform the optimum design

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***About Personal Tax Customer & Strategy (PT C&S)***

Behavioural Evidence & Insight Team

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## Customer testing of the July RTI letter

Personal Tax Customer & Strategy works with colleagues in Personal Tax and across HMRC to help develop our approach to implementing the customer centric business strategy. We use customer insight to help PT design, deliver and operate services for individual customers which

- improve customer experience
- maximise tax yield
- ensure that those who need help get the support they need, when they need it

PT C&S also has a corporate role, to manage the relationship with the voluntary and community sector on behalf of HMRC

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## Customer testing of the July RTI letter

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

Research was required to provide recommendations for improving the effectiveness of a letter aimed at encouraging employers who had not yet started to begin reporting in real time. The letter was tested prior to it being sent to employers. Additionally the research sought to understand whether or not additional information (i.e. inserts) would be helpful for recipients of the letter.

The findings from this research have been used to improve the tone, design and layout of the letters so that employers are clear on what they need to do.

### *When the research took place*

The interviews were conducted between the 22nd – 26th April in London, Leeds and Birmingham

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

The research was conducted by Opinion Leader, a market research agency based in London

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

A total of 24 depth interviews were conducted with employers. Participants represented the HMRC employer customer base in terms of size, industry, agent use and software. Participants were chosen to take part in the research because they had yet to begin reporting in Real Time or because they were unaware of it.

Two versions of the letter were tested, one with 'softer' messages about the consequences of not complying and one with 'harder' messages. Participants were shown one of these letters in the initial discussion and the order of showing the letters was rotated across the interviews so that half of participants were shown each version. Following the initial discussion of the letter the aspects which were different about the 'softer' and 'harder' letters were highlighted to participants who were then asked to discuss them.

### *Main Findings*

#### **Design & Layout**

Overall the letter was fairly clear, concise and perceived to be similar in tone and style to other letters from HMRC.

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## Customer testing of the July RTI letter

Participants understood the main messages in the letter i.e. that the law changed and RTI is mandatory; that they should now be reporting in real time; there is help available to start filing RTI; there is additional help for small businesses; RTI can make it easier to keep on track of payments and reduce administration and there are no late filing penalties this year. Nothing was spontaneously mentioned as being missing from the letter in terms of content.

Whilst the letter was clear overall, there were a number of aspects of the letter that some participants found either confusing or superfluous.

The line *'If you haven't paid anyone, you need to let HMRC know that you don't owe us any money'* was understood correctly by some participants, however, others understood this to mean that they needed to let HMRC know about every employee that was not paid, for example if they took on seasonal staff and only paid them at certain times of the year. Some participants also said that it was not clear how they should let HMRC know that they don't owe them money.

The phrase *'we have made some temporary arrangements to help small businesses get used to reporting PAYE in real time'* was typically perceived to be vague and unclear. Some participants were unclear about how HMRC defines small companies. For example one participant thought that their company was small when it had 150 employees.

Some of the medium and large businesses felt that some of the information relating to smaller companies was not relevant to them and would have preferred to have received a tailored letter which did not have this extraneous information in it e.g. information about not paying anyone, software for smaller companies and temporary arrangements for small companies.

Overall participants felt that the letters needed a stronger call to action. Not having a title line was perceived by some to be a missed opportunity to explain why they have been sent the letter and what they need to do.

Some participants felt that the tone relating to missing payments and their Full Payment Summary should have been more forceful. Being explicit about the lack of penalties next year was a relief to many participants, however for some this resulted in them feeling that they could put off thinking about or doing anything about RTI until next year.

Participants typically said that they would act immediately upon receiving the letter and there were a range of actions that they felt that they would take as a result of receiving this.

Participants typically appreciated the help paragraph in the softer letter. Participants felt that this sent a positive message to employers that HMRC was there to help facilitate the transition to RTI rather than merely enforce it.

Some participants felt that the HMRC website was complex and difficult to navigate and consequently typically expressed a preference for having URL links rather than using search terms on the HMRC/RTI website. Links were perceived to be easier to follow and more likely

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to lead to the correct information than using search terms. Others were happy to use search terms to access additional information about RTI. Some participants also wanted to have a phone number to contact HMRC about RTI.

Participants felt that the most important messages which encouraged action were those that explained what they needed to do i.e. 'If you haven't paid anyone...' and those that signposted participants to sources of help i.e. 'We have introduced some temporary arrangements for small businesses...'.

The messages about the benefits of RTI received mixed reactions from participants.

Participants typically felt that the message about Universal Credit was out of kilter with the rest of the letter.

### **Tone, Layout and Order**

Participants felt that the tone of both letters was helpful, reassuring and informative. Whilst participants liked this tone some felt that the letters needed to be more direct and forceful to encourage employers to take the required action.

The layout of the letter was felt to be in line with previous letters from HMRC. Participants appreciated that the letter was on one page as it was felt to be succinct. The use of bold and bullet points were felt to be effective at drawing participants' attention to important aspects of the letter.

Whilst some participants felt that the order of the letter was clear and logical others felt that it did not flow particularly well resulting in some of the messages not coming through as strongly as they could do.

### **Response to the inserts**

Participants were shown the 'Reporting in real time: what's changed' and 'starting to report PAYE in real time'. Participants felt that it was important to receive some information which explained what RTI is and what they needed to do to comply with this. Participants typically expressed a preference for a clear and concise one page document which explained: what RTI is. Participants liked the structure of the 'What you need to get ready' insert, finding it easy to navigate and understand what they needed to do under different circumstances, however others expressed a preference for a more straightforward representation of what they needed to do for example in the format of a flow chart. Some participants felt that this insert should also include a call to action e.g. 'what you need to do to file in real time'.