

Research report

An exploration of the Always Needs Help population

To better understand the *Always Needs Help* sub segment of customers by defining who they are, what their support needs are, what drives their need for support and sizing the current population to better inform future service design and delivery.

March 2013

An exploration of the Always Needs Help population***About Personal Tax Customer & Strategy (PT C&S)***

Personal Tax Customer & Strategy works with colleagues in Personal Tax and across HM Revenue and Customs to help develop our approach to implementing the customer centric business strategy. We use customer insight to help Personal Tax 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 (VCS) on behalf of HM Revenue and Customs.

An exploration of the Always Needs Help population***Contents***

Research requirement (background to the project)	4
When the research took place	4
Who did the work (research agency)	4
Method, Data and Tools used, Sample	5
Main Findings	8

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An exploration of the Always Needs Help population

Research requirement (background to the project)

HM Revenue and Customs sought to focus on and expand its knowledge of customers who needed the most support to use its services – the *Always Needs Help* population. *Always Needs Help* customers were broadly defined as people who would always need enhanced support when dealing with their personal tax and/or benefits & credits and this was believed to be due to a lack of ability as a result of skills, confidence and/or capacity. From time to time other customers (although not traditionally *Always Needs Help*) also needed the same level of support, which could be driven by a 'life event' such as starting a new job or bereavement.

The HMRC Individuals Customer Segmentation identified five distinct customer segments: Unaware, Potential Rule Breakers, Rule Breakers, Willing but Needs Help and Willing and Able.

As part of HMRC's Customer Centric Business Strategy, *Always Needs Help* was categorized as a sub segment of the Willing but Needs Help segment. However, based on day-to-day contact with customers, HMRC believes the *Always Needs Help* population potentially sits across all customer segments and is not just a sub-segment of one.

This report provides a summary of exploratory research that sought to:

- Provide HMRC with a consistent definition of *Always Needs Help* customers that was understood at all levels of the organisation
- Provide HMRC senior leaders with an understanding of the size of the *Always Needs Help* customer base and their core needs
- Inform the design of a future service for all HMRC *Always Needs Help* customers that would meet their Enhanced Support needs

When the research took place

4th December 2011 – 28th May 2012

Qualitative and quantitative fieldwork conducted from January to March 2012.

Who did the work (research agency)

The work was carried out by TNS-BMRB and The Futures Company.

The team consisted of Darren Bhattachary (TNS-BMRB), Jo Phillips (The Futures Company), Alice Coulter (TNS-BMRB) and Janice Clark (The Futures Company).

An exploration of the Always Needs Help population

Method, Data and Tools used, Sample

The research involved a mixed approach combining desk research, primary qualitative and quantitative research, analysis of existing sources and consultation with intermediaries (see figure 1 below). Data from all the different sources available within the timeframe was triangulated to give the best picture possible of the target customer group.

Figure 1: Methodological approach

Phase 1: Definition and scoping	Phase 2: Research and data analysis	Phase 3: Triangulation of all data	Phase 4: Embedding and reporting
<i>Identifying what we know, gap analysis, research scoping, agreeing working definition and hypotheses development</i>	<i>Using multiple sources and techniques to build a clearer picture of the target population</i>	<i>Triangulating all data to size and map the target, their support needs and any typologies</i>	<i>Confirmed definition, breakdown and understanding of the population, size and subgroups, support spectrum and needs assessment</i>
Kick off meeting and HMRC stakeholder interviews	Qualitative research: •Frontline observations and intercepts •Depth interviews with customers and frontline staff	Estimating the size of the target group	Interim summary report for the PT
Mapping and reviewing existing HMRC knowledge	Quantitative research: 1 Behaviour driven approach (using HMRC and 3 rd party data) 2 Need and demographic driven approach (using existing surveys) 3 Survey based (using omnibus)	Identifying drivers of need and support needs	Fac -t -face presentations
Desk research literature review		Understanding distribution including across HMRC's segments	Full written report inc. Exec Summar
Intermediary engagement expert interviews		Identifying customer typologies	Publishable findings summary
Project team working sessions		Intermediary feedback and build	Data files and research materials

Primary Qualitative research (comprising four strands):

- 1. Ethnographic observations:** The aim of these observation sessions was to understand the support needs of customers at point of contact. Interactions were observed across a range of support providers, including HMRC and the Voluntary and Community Sector (VCS).
- 2. Follow up staff interviews:** These were used to reflect on the observed interactions, exploring how customer needs were identified and understood at point of contact. These interviews were conducted across a range of organisations, including HMRC and the Voluntary and Community Sector (VCS).
- 3. Follow up customer interviews:** Following the observations, interviews with customers were also conducted with the aim of understanding the customer experience and their support needs. These interviews were conducted across a range of organisations, including HMRC and the Voluntary and Community Sector (VCS).

An exploration of the Always Needs Help population

4. Free-find customer interviews: Additional customer interviews were undertaken using free-find recruitment. The purpose of this approach was to frame support needs outside of contact with support providers and to research customers with particular needs / from certain groups. These interviews were conducted across a range of customer characteristics, including mix of gender, ethnicity and geographic location. In addition, we observed two filmed discussion groups exploring how financial affairs are handled during bereavement.

Primary Quantitative Analysis

The primary quantitative research was carried out via the TNS face-to-face Omnibus Survey across all regions of the UK between 27th January and 4th March 2012. The data was weighted to be nationally representative of the 16+, adult population in terms of age, gender and socio-economic grouping.

The full questionnaire was asked of the whole sample in the first wave. In subsequent waves, screening questions were used to filter for those who had had a significant level of help in dealing with tax or benefits in the last 12 months from someone other than a paid agent and only these people were asked the full questionnaire.

For sizing, the total omnibus sample was used.

For profiling the general population, the first wave of the omnibus was used and those who were not Needs Enhanced Support (NES) customers were looked at.

For profiling NES customers the group that met the definition of NES from across the total omnibus sample was used. This means that the relevant sample size was different for sizing and profiling as shown below.

Although the sample size to profile the NES group is relatively small, the sample for sizing is large and delivers a robust estimate of the size of the NES group with an error margin of +/- 0.2% of the total sample.

Sample for sizing:	
Total: 11,547	
Region	
North East / West	1,800
Midlands	1,829
Yorks / East of England	2,040
London and South East	3,082
South West	903
Wales	578
Scotland	1,010
Northern Ireland	305

Sample for profiling general population:	
Total: 1,119	
Region	
North East / West	175
Midlands	167
Yorks / East of England	196
London and South East	287
South West	83
Wales	57
Scotland	94
Northern Ireland	60

Sample for profiling NES customers:	
Total: 173	
Region	
North East / West	24
Midlands	28
Yorks / East of England	30
London and South East	31
South West	21
Wales	13
Scotland	20
Northern Ireland	8

An exploration of the Always Needs Help population

Secondary Data Analysis

Data from several existing large-scale, robust government surveys was used to examine the size of some of the key drivers of need and to identify where these clustered within the general population. The sources were:

- Citizenship Survey
- Labour Force Survey, Oct-Dec 2008
- Health Survey of England 2009
- BIS Skills for Life, 2011
- FSA Financial Capability Survey, 2006

The demographic variables were used to construct cells across all of the surveys, within which the percentage of the cell with the driver variable could be measured. These were then charted to enable clusters where there were a higher percentage of respondents with drivers of support need to be identified.

Behaviour driven approach

This approach used HMRC, VCS and other data to understand how many people currently need or get help via different routes.

Key sources for this approach were:

- HMRC data for face-to-face appointments at Enquiry Centres, (excluding Identity Authentication Service (IDAS) appointments), projected for 2011-12
- HMRC data for numbers of calls to Tax Credit Household Breakdown Line, 2011
- HMRC data for number of calls to Royal National Institute for the Blind (RNIB) helpline, 2011
- HMRC data for numbers of users of 'The Big Word', 2011
- HMRC data for numbers of calls to change contact for Child Benefit (usually associated with a child going into care, death of the mother or break-up of the family home), estimate for 2011-12
- HMRC data on number of calls to the Pensioners Line, 2011
- HMRC data on number of calls received from unpaid third-parties (e.g. friends or family calling on behalf of the customer) , 13 weeks (11 Oct 11 to 10 Jan 12 taxes weeks 28-40) – annualised
- Tax charities (Tax Help for Older People and Tax Aid), total advice session, 2011
- Citizens Advice Bureau (England and Wales, Scotland and Northern Ireland) total number of advice sessions to tax and HMRC administered benefits and credits, 2010-2011

To estimate the total number of customers served it was also necessary to make some assumptions regarding:

- the percentage of repeat calls / appointments
- the percentage of customers served via each channel that fall within the target group (Needs Enhanced Support rather than just additional support)

An exploration of the Always Needs Help population

- the overlap between channels, particularly between HMRC and the VCS

In making these assumptions, reference was made to the limited hard data available (figures for number of contacts per customer provided by Tax Help for Older People), observations in qualitative research and previous work carried out by HMRC (Tax Credits Repeat Caller Analysis, October 2009).

VCS Contribution

The following organisations shared their experience and gave feedback for this research, through face to face and telephone interviews and via an online social forum:

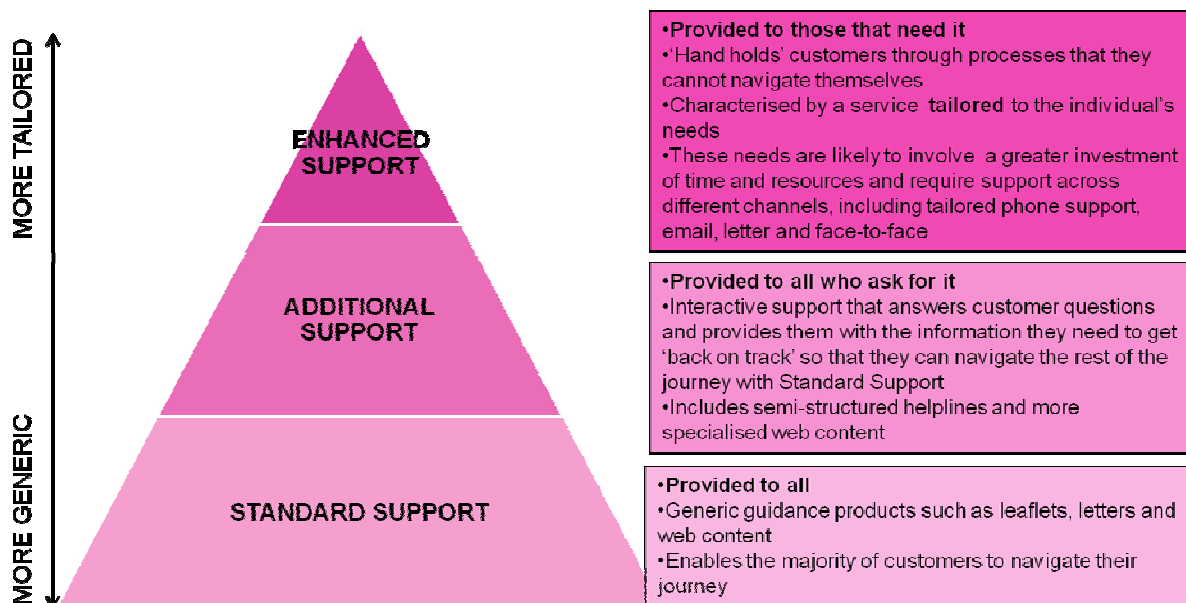
- TaxAid
- Tax Help for Older People
- Low Incomes Tax Reform Group
- Child Poverty Action Group
- Mind
- Gingerbread
- Citizens’ Advice Bureau (Northern Ireland)
- Citizens’ Advice Bureau (England and Wales)

Main Findings

Defining the target group

Different customers need different levels of support to meet their requirements and claim their entitlements (see figure 2 below).

Figure 2: Support pyramid



An exploration of the Always Needs Help population

With this support structure in mind, the term *Always Needs Help* was found to be problematic for a number of reasons:

- Confusion around the level of ‘help’ referred to leads to difficulty in meaningfully pinpointing and sizing the group
- Many people need extra help once, or on some occasions, but do not *always* need that level of support
- Referring to people as *Always Needs Help* can be restrictive or disempowering. It assumes that people can’t be helped to a point where they need less support, which may lead to less effective service design

The target audience for this research is a diverse group of customers, encompassing a broad range of attitudes, behaviours and demographics. The one thing that does unite them is a need for more help to meet their requirements or claim their entitlements from HMRC. Focusing on a specific time period also allows us to understand the target more accurately. The research therefore recommends a shift in definition from *Always Needs Help* to customers who need Enhanced Support this year (abbreviated to Needs Enhanced Support or NES).

Identifying and understanding the target group

In order to identify and understand these customers, the research focused on the **drivers of a need for Enhanced Support**, rather than identification by demographic group or customer demand. This approach was undertaken to provide more accurate identification by understanding how many of those within particular demographic groups need Enhanced Support (for example, not all ‘older people’ need Enhanced Support) and what the overlap of support needs are. It also provides greater understanding of the different types of need that exist and how to serve them effectively and efficiently.

The need for Enhanced Support can be driven by **customer characteristics** and/or by **HMRC** (see figure 2 below). There are five broad categories of drivers of a need for Enhanced Support that arise from the characteristics of the customer, including their health, their abilities and their life context. The drivers of need are:

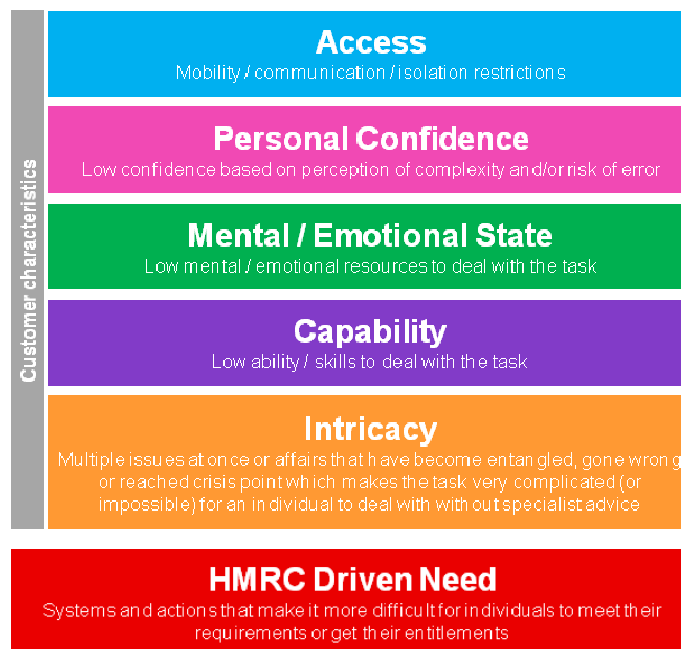
- **Access** – Barriers that a customer may experience that make it difficult for them to self-serve with standard or additional support alone, such as communication problems, resource limitations, or mobility restrictions
- **Personal Confidence** – Low personal confidence when dealing with HMRC; for example, because they are new to the tax / benefits system or issue, they have a fear of authority, or they lack confidence in using remote channels (phone, online)
- **Mental / Emotional State** – Low mental / emotional resources to deal with a task, meaning it is not possible for them to use additional support alone; for example, people facing emotional stress, mental health problems, or memory difficulties
- **Capability** – Low ability or skills to deal with a task can mean that people need extra support; for example, people with learning difficulties or low literacy and numeracy, or low IT skills

An exploration of the Always Needs Help population

- **Intricacy** – When tax affairs have become entangled, gone wrong or reached crisis point, which makes the task very complicated (or impossible) for an individual to deal with alone without specialist advice from someone with expertise in tax / benefits

The need for Enhanced Support can clearly also be driven by **HMRC’s actions and systems**. HMRC error, system complexity or unclear information can have a greater effect on this target audience than on other customers and lead to a need for increased Enhanced Support resources to be required.

Figure 2: Drivers of need



Drivers of need rarely exist in isolation. Customers who need Enhanced Support often have more than one driver of need. Those with multiple drivers of need are likely to have the highest support needs and to need most help in dealing with their affairs. Just because one driver of need may be more immediately obvious than the others (e.g. lack of English language), there is a danger that this need alone is ‘diagnosed’ and others go unrecognised, and therefore unmet. For example, someone who does not speak English fluently, may also have personal confidence issues that are not as immediately visible as their language need. For example, lack of personal confidence may mean that they cannot cope with using a telephone translation service.

An exploration of the Always Needs Help population

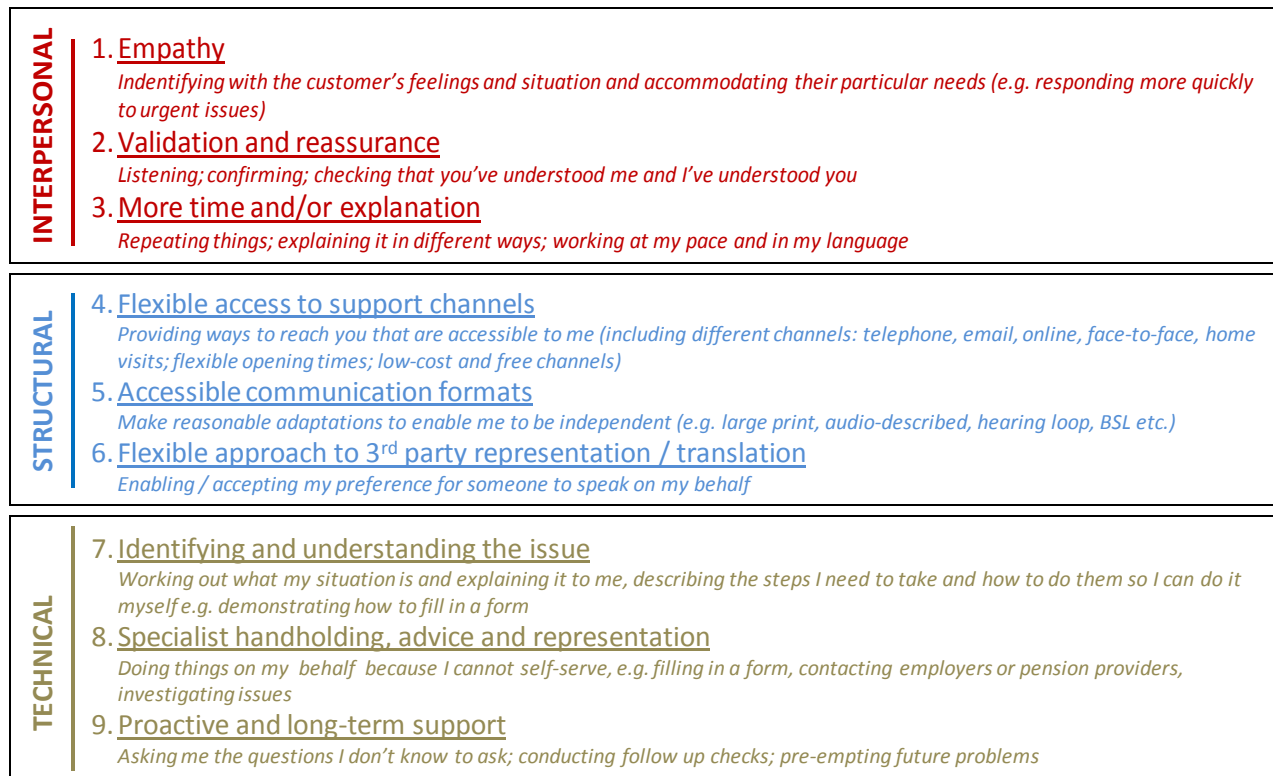
Drivers of need in turn relate to **support needs**. We identified nine support needs, which can be grouped into three categories (details in figure 3 below):

- **Structural** – need for physical and logistical adjustments
- **Interpersonal** – need for verbal and non-verbal communication skills
- **Technical** – need for specialist tax or benefit and credits knowledge and understanding

Each of the nine main support needs requires different skills and techniques from those **who help** these customers.

Each individual will have a different combination of these support needs.

Figure 3: Support needs

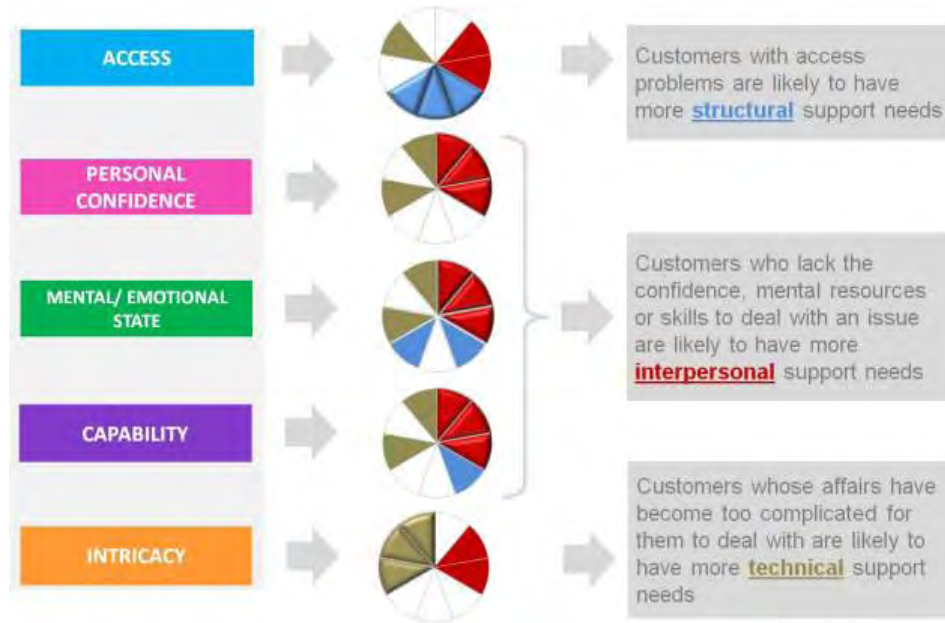


Certain drivers can be linked to specific support needs (see figure 4 below). Whilst there is not a straight-forward correlation from driver to support need, there is a relationship that suggests that certain support patterns may exist, helping to anticipate needs. For example, a customer with access problems is likely to have more structural support needs. However, the support needs are cross cutting and all types of support should be considered when assessing an individuals needs.

It is important to note that all the drivers of need require interpersonal support.

An exploration of the Always Needs Help population

Figure 4: Link between drivers of need and support needs



Profiling the target group

From primary quantitative research, it was possible to broadly profile customers who need Enhanced Support. This revealed a broad demographic and geographic spread, beyond some of the high needs groups identified previously. For example, the target group are more likely to include those with mental and emotional health needs, older people with complex affairs, and those with specific access needs, such as mobility or communication related. However it also includes people who are highly educated, above average income and financially and internet aware. It was also identified that customers who need Enhanced Support fall within all of the HMRC individual customer segments. NES are found within all of the HMRC segments in similar proportions to the general population, but with a skew towards the Willing but Needs Help segment.

Within 'Enhanced Support' there are **different levels of intensity of support needs**.

Some customers may have their issue resolved after one interaction (e.g. a 10 minute tailored phone call). They may need Enhanced Support at only at one point in their life or rarely.

Others may need Enhanced Support over multiple interactions and require a higher investment of resources to resolve their issue. They may need Enhanced Support for a long time and be in the target audience for multiple years (not just 'this year').

To illustrate this, the research identified lower and higher intensity groups:

An exploration of the Always Needs Help population

The **lower intensity** group:

- are likely to have significant HMRC driven needs
- some may not need much more than ‘additional’ support (this group can do online banking and are happy communicating by remote channels)
- are more likely to say they can get help over the telephone
- are more likely to be helped by HMRC
- define themselves as *Willing and Able*

A more tailored telephony service could meet the needs of many in this group effectively.

The **higher intensity** group:

- are more likely to define themselves as *Willing but Needs Help*
- are more likely to be helped by the Voluntary and Community Sector (VCS)
- will need tailored support across a range of channels – with around 1 in 5 potentially needing face-to-face support

Sizing the target group

When attempting to size the NES population, it was necessary to represent individual layers which signified varying degrees of need within the target audience. This has important implications in terms of service offering; who is able to help the customer and what kind of help the customer needs. The research therefore provides this level of granularity by viewing Enhanced Support as an ‘onion’ model (see figure 5 on page 14).

This model considers different layers of need.

Layer 1 acknowledges that there are people who may need enhanced support to deal with their ‘other’ affairs this year but **not** with either tax or HMRC administered benefits and credits.

Layer 2 recognises that there are people who may need enhanced support to deal with their tax or HMRC administered benefits and credits this year but can access enhanced support through their own support networks (eg: family and friends) or by paying an agent.

Therefore, Layer 1 and 2 **are not** included in our sizing estimates as these people **do not** require an enhanced level of support from either HMRC or the VCS to deal with their tax or HMRC administered benefits and credits this year.

An exploration of the Always Needs Help population

Layers 3, 4 and 5 denote **the target audience**: people who need Enhanced Support to deal with their tax or HMRC administered benefits and credits affairs this year and have no other way of accessing this level of support if HMRC or VCS help was unavailable.

Layer 4 acknowledges that there is a sub group within the overall target audience who need enhanced support from the VCS, not HMRC, as they need independent advice or mediation.

Layer 5 recognises that there is a further sub group within the overall target audience who need enhanced support from the VCS, not HMRC, as they need someone to act on their behalf.

Figure 5: The 'onion' model of Enhanced Support

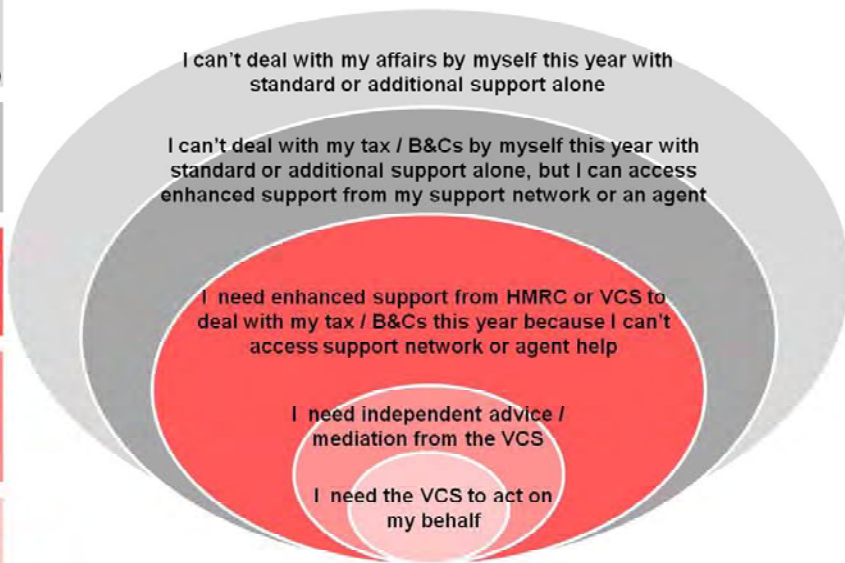
Layer 1 (acknowledge but not in target):
Need enhanced support to deal with other affairs but NOT HMRC affairs this year (because they are not in tax or HMRC B&Cs or, if they are, their HMRC affairs do not require enhanced support)

Layer 2 (acknowledge but not in target):
Need enhanced support AND in tax or HMRC administered B&Cs, BUT can get this enhanced support from their support network or by paying an agent.

Layer 3 (target audience): Need enhanced support AND in tax or HMRC administered B&Cs AND need this support from HMRC or the VCS because they don't have access to support network or agent help

Layer 4 (sub group within target audience): Need enhanced support AND in tax or HMRC administered B&Cs AND need the support from VCS NOT HMRC because need independent advice or mediation

Layer 5 (sub group within target audience): Need enhanced support AND in tax or HMRC administered B&Cs AND need the support from VCS NOT HMRC because need someone to act on their behalf



The research therefore sought to size **‘those who need Enhanced Support from HMRC or the VCS to deal with their tax and/or benefits and credits this year’**.

An exploration of the Always Needs Help population

Both primary and secondary quantitative research was used to size the population, adopting three different approaches. Each has advantages and disadvantages and helps us to understand the audience in different ways.

1. **Behaviour driven** – using HMRC, third-party and survey data to understand how many people currently need or get help via different routes
2. **Need and demographic driven** – using existing surveys to identify clearly defined demographic clusters with high intensity of needs
3. **Survey based** - using several waves of omnibus research to find and profile the target group

Reviewing findings from the three routes suggests that the percentage of the total population aged 16 and over that requires help from HMRC or the voluntary sector within a 12 month period is likely to be **between 2.5% and 2.9%**. This represents **between 1.27 and 1.47 million customers**. Of those, it is estimated that 1.03 million are tax-only NES customers.

The size of the target is not static and could be influenced by policy and other changes, such as the introduction of universal credit, any changes to the tax threshold and HMRC service delivery changes.

Furthermore, the need for Enhanced Support will be influenced by earlier steps in the customer journey. A poor experience of Standard or Additional support is likely to have a more profound impact on NES customers.

For example a P800 calculation letter that is not clear (Standard Support) may drive a need for tailored explanation and reassurance (Enhanced Support) for some customers. Therefore at each stage customers interact with HMRC there is an opportunity to reduce the need for Enhanced Support.