

Research report

Understanding Customers who visit HMRC Enquiry Centres

To help HMRC to understand the profile of Enquiry Centre users, and the reasons they use them so it can target and design support services more effectively in future

November 2013

Understanding customers who visit HMRC Enquiry Centres to inform service design

This work was commissioned by the Personal Tax Customer, Product & Process Directorate.

About Personal Tax Customer, Product & Process (PT CP&P):

Personal Tax Customer, Product & Process 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 CP&P also has a corporate role, to manage the relationship with the voluntary and community sector on behalf of HM Revenue & Customs.

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Research requirement (background to the project)

HMRC is looking to deliver services that reduce the tax gap and provide a positive customer experience in a more cost efficient and effective manner. To achieve this, HMRC needs to understand the ever changing profile of customers who use its various service channels and the reason/s they use them, so it can target and design support services more effectively in the future.

In 2011, HMRC commissioned a piece of work within the general population to understand what characteristics (including health, ability and life context) made it difficult for people to independently manage their Tax and/or Benefits and Credits affairs without an enhanced level of support from HMRC.

From this work a list of identifiers based on these characteristics were developed: termed drivers of need (for enhanced support). These are: Access, Personal Confidence, Mental/Emotional State, Capability and Intricacy. This work also recognised that HMRC error, system complexity or unclear information can drive a need for enhanced support from HMRC. Therefore there is an additional driver called HMRC Driven Need.

These identifiers were specifically developed to make it easier for HMRC customer service staff to recognise customers who need an enhanced level of support and are being used as part of the ongoing design of support services.

This project

The focus of this work was the Enquiry Centre channel.

At the start of this research, HMRC already knew from its internal data that customers who use Enquiry Centres behave in a variety of ways once there (e.g. 55% use the phone helpline, 25% approach a floorwalker and 7% attend a face-to-face appointment). However, HMRC knew less about **whom** these customers were and **what** drove their decision to use an Enquiry Centre over other forms of support.

Therefore HMRC decided to improve its understanding of the profile of Enquiry Centres users, their support needs, their reasons for seeking help in the first place and their reasons for choosing this particular channel or if they used a combination of channels when they had a Tax or Benefits and Credits enquiry.

In order to do this, primary qualitative and quantitative research was conducted with Enquiry Centre customers and staff at various locations across the UK.

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The aims of the research were to:

- “ Gain a deeper understanding of who these customers were and why they choose the services offered at the Enquiry Centre
- “ Unpick what drove these customers to come into an Enquiry Centre in the first place
- “ Understand what is driving customer behaviour when they reach an Enquiry Centre (approaching a floor walker, use of telephone helpline, need for face to face appointment, use of internet)
- “ Understand whether there are customers who might be classed as Needs Enhanced Support but who can have their query resolved by floorwalker, helpline or internet
- “ Explore a selection of current customer journeys across the various Enquiry Centre locations
- “ Understand other channel options that customers could use for contacting HMRC
- “ Identify communication needs around HMRC services

When the research took place

21st March 2013 . 30th August 2013

Both qualitative and quantitative fieldwork took place with customers at eleven HMRC Enquiry Centres during a four week period between 7th May and 7th June 2013.

The fieldwork for this research took place prior to the start of the pilot of a new service to help HMRC customers who need extra support in the North East of England. This pilot was still ongoing at the time of publication.

Who did the work (research agency)

The work was carried out by TNS-BMRB.

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Method, Data and Tools used, Sample

Face to face, interviews were conducted with customers, onsite at eleven HMRC Enquiry Centres and the following two types of interview were undertaken:

1. 5-minute semi-structured profiling interview (quantitative)
 - Characteristics, support needs and motivations
 - Customer journeys
 - Perceptions of effectiveness

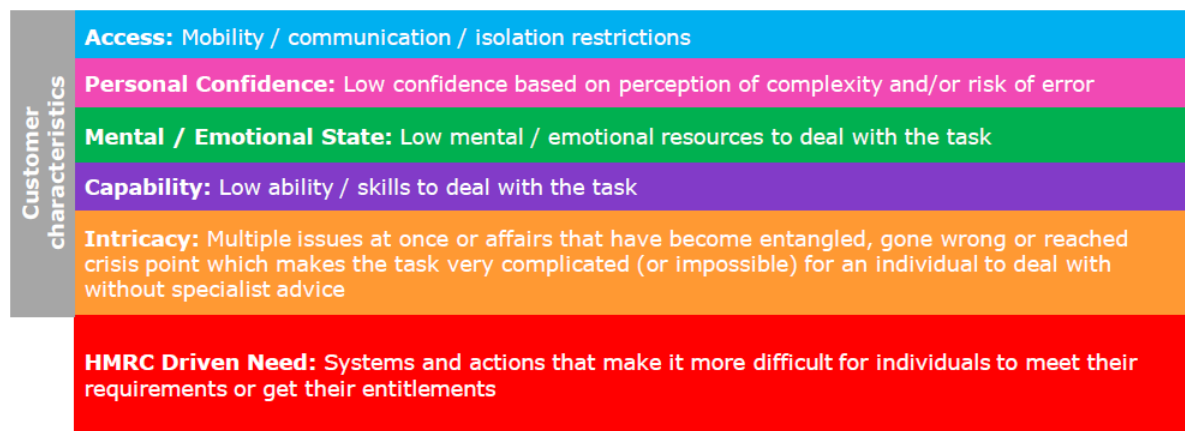
- 2: 20-minute depth interview (qualitative)
 - Experience dealing with tax and/or benefits & credits issues
 - Drivers of need
 - Perceptions of service
 - Alternatives to the Enquiry Centre

A total of 367 profiling interviews and 186 depth interviews were completed.

(*IDAS: Identity Authentication Service customers i.e. people visiting with the purpose of proving their identity were not interviewed as part of this sample).

Please note: the researchers were not given any HMRC training in identifying the *drivers of need*. They were given the criteria below in Figure 1. Using this and their learning from previous work they were asked to make a subjective judgement as to whether customers needed an enhanced level of support (NES) during the 5 minute profiling interview/discussion.

Figure 1:



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A note of caution on the sample....

It is important to highlight that these findings are representative of the views of those customers and staff we spoke with at the eleven Enquiry Centres during a four week period between 7th May and 7th June 2013 and should be viewed in this context. It forms an aggregated snapshot of the 367 customers profiled.

These statistics should not be taken as representative of either:

- “ the entire customer base of each Enquiry Centre involved
- “ the entire customer base of all Enquiry Centres throughout the UK and NI

They are intended to provide an illustrative and contextual picture of customers that were engaged with as part of this research.

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Main Findings

Some key facts about this sample

Who uses Enquiry Centres

- 59% of customers interviewed were male and 41% female
- There was a wide mix of ages across the sample
- There was a spread of social grades with the highest number in the semi-skilled and unskilled workers category (25%): notably 14% were unemployed
- Almost two thirds of the sample were British nationals (including English, Welsh and Scottish): the remaining third were from other nations - 47 nationalities across the eleven Enquiry Centres
- Access to mobile phones was greater than to landlines (96% vs 64%)
- Despite the high levels of internet access/confidence . only around half felt themselves capable of using this channel to seek help for tax/entitlements queries

Enquiry Centre behaviour

- Just under half had already visited an Enquiry Centre in the previous 12 months and just over half of these customers visited for the same issue
- 40% of customers had sought help or support from another source before their visit to the Enquiry Centre
- 90% of customers were generally satisfied or very satisfied with the help/support received at the Enquiry Centre
- 59% of customers felt their query had been fully resolved following their visit

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Enquiry Centre customer groups

In this sample, a wide range of people used Enquiry Centres for a wide range of issues ranging across tax and benefits and credits. There was no ~~typical~~ customer. However, there were particular groups that were more prevalent within and between the Enquiry Centres visited and particular issues that seemed more common at different times of the year (e.g. P60¹ queries in April, tax rebate queries in May).

Enquiry Centre customers varied considerably in terms of socio-demographics (and linked to this, queries) but notable groupings were identified including:

Pensioners typically used the Enquiry Centre for face-to-face appointments in order to complete forms (often related to Self-Assessment) and for tax queries relating to changes in circumstances (retirement, death of spouse). For this group, ~~finance~~ was often seen as a sensitive and important issue . which may result in reluctance to discuss with friends and family. These customers were often repeat visitors who would typically develop a personal relationship with the Enquiry Centre staff. Many of this group had compounding issues relating to sensory impairment, physical disability or other NES drivers of need.

Students tended to use the Enquiry Centre on an ad-hoc, drop-in basis, for queries around tax codes (often correcting emergency tax codes) and to enquire about tax rebates. Customers in this group were rarely viewed as potentially Needing Enhanced Support.

Migrant workers presented with a wide variety of queries relating to benefits, tax and credit issues. Typically these customers struggled with written and/or verbal communication in English and visited the centre as a first port of call to address their queries (often on the recommendation of peers), and then made use of the Enquiry Centre facilities and staff repeatedly.

Low income individuals/claimants used the Enquiry Centre in order to access support with renewing benefits claims, organising the repayment of overpaid tax credits, providing details about changes in circumstances, or to obtain evidence which could support the validity of their claims. These customers typically faced time pressure to resolve their queries and could present with language issues and/or learning disabilities.

Self-employed individuals varied considerably in their use of the Enquiry Centre and presenting needs. Some were newly self-employed and had queries around completing Self-Assessment (often a shift from agency work), others had been self-employed for several years and used the Enquiry Centre as a convenient and free alternative to an accountant in order to complete their Self-Assessment return. A third sub-set was less financially-literate (often presenting with confidence issues and learning disabilities) and needing to be walked through the process on an annual basis.

¹ Notice of gross pay and tax deducted over the year. Sent out by employers.

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Members of the general public who were capable but driven by the perceived inadequacy of other HMRC services had attempted to deal with their query using the HMRC website and/or Contact Centre but had not reached a satisfactory resolution.

In thinking about implications for future service delivery, TNS BMRB sought to understand **why customers use Enquiry Centres** and **what they want/need from them** rather than simply examine needs in relationship to socio-demographic groupings. Through a grounded-approach to data analysis, two tiers of motivations were identified which explain customers' use of Enquiry Centres as opposed to alternative HMRC services.

Tier one drivers relate to customers' **primary motivation** for using the Enquiry Centre and can be seen as a spectrum of choice ranging from use as *necessity* through to use as a *preference*.



- *Necessity*: using the service because of issue complexity or personal need
- *Dissatisfaction with alternatives*: using the service because of actual or perceived inadequacy of other services
- *Cultural and social norms*: using the service because of group-held beliefs or lack of awareness
- *Repeated use*: using the service because % is there+

Where customers sit on this spectrum is dependent on their personal situation, the complexity or urgency of their query, and their experience and/or awareness of the Enquiry Centre service and alternatives.

Secondary motivations are sub-sets of customer needs and relate to the **benefits** that customers derive from using the Enquiry Centre service, as related to their motivation for use.

These practical or emotional benefits motivate customers to access the Enquiry Centre, over and above other forms of support.

Different benefits will resonate with different customers.

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The following **benefits** were identified:



- *Timeliness*: the speed of delivery and/or speed of resolution
- *Empathy*: feel their issue is understood
- *Reassurance*: feel their query is being dealt with correctly and / or they have dealt with the HMRC query correctly
- *Ease of use*: the ease or convenience of accessing the service as compared to alternatives
- *Cost*: the financial cost or cost in personal time of using the service as compared to alternatives

Cost is the only driver which breaks down into two quite distinct forms: the cost in terms of personal time and financial cost

In addition to the above, positive experiences of the service accessed in an Enquiry Centre reinforced customers' perceptions of these benefits, which contributed to the Enquiry Centre becoming the preferred channel for support in the future.

Repeated use and positive outcomes lead to customers becoming *habituated* to this form and level of service.

The relationship between motivations

- “ Benefits each hold a different relative importance dependent on the individual customer query, experience and Needs Enhanced Support driver of need
- “ There are many customers who are using the Enquiry Centre but do not need an enhanced level of support

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Serving customers who do not need an enhanced level of support

In this sample, there were a sizeable proportion of customers using Enquiry Centres, largely for practical reasons of timeliness and ease of use, who do not fall into the Needs Enhanced Support criteria, but do have genuine needs.

These customers are using Enquiry Centres because:

1. They are dissatisfied with alternatives and are looking for a channel through which they can access helpline support from HMRC within a reasonable and predictable period of time
2. The service is convenient (easy to access) and familiar (in terms of their cultural and social norms). These customers are seeking a service which is personal and flexible.
3. There are times where speed of delivery (in receiving / filling in documents) or speed of resolution is of the essence and customers need a channel through which they are able to access fast-turnaround support from HMRC

Any new service model needs to consider how customers who do not need an enhanced level of support but have genuine reasons for using the Enquiry Centre service, will be served by the new system, including how they are identified and supported through their initial Contact Centre conversation.

Serving customers who do need an enhanced level of support

Although a proportion of this sample of customers were identified as potential Needs Enhanced Support, the actual queries that most presented with were often not intrinsically complex and the use of the Enquiry Centre was not always directly linked to their most prominent Needs Enhanced Support driver of need. These customers were using Enquiry Centres because:

1. They are financially unable or unwilling to call the Contact Centre from their mobile phone . Access drivers
2. They can require personalised and non time-limited support where presenting with complex and/or emotional issues . Intricacy and Mental/emotional drivers
3. They can require face-to-face support with both simple and complex queries if also impacted by physical and/or learning disabilities . Access and Capability drivers
4. They are dissatisfied with experience of HMRC alternatives and are looking for empathy and reassurance (that query is understood and being appropriately dealt with) - Intricacy and Mental/emotional drivers

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Implications for proposed new service delivery model

It appears likely that the majority of practical and interpersonal benefits can be addressed through the new service delivery model. However, there are three areas in which HMRC should consider how best to engage with customers and/or support transition:

- Customers requiring a speedy service out of necessity, but not necessarily classified as Needs Enhanced Support by the current drivers of need
- Customers driven to face-to-face by social or cultural norms
- Customers who have developed a reliance on the Enquiry Centre following prolonged use

Alternatives to the Enquiry Centre

When informed of potential closures to Enquiry Centres, most customers in this sample said they knew of other forms of formal and informal support that could be accessed if needed. The majority of people would rely on the HMRC Contact Centre helpline though other alternatives were mentioned.

For self-employed customers, accountants were top of mind as a source of guidance and support in relation to tax returns.

Charitable organisations such as the Citizens Advice Bureau (CAB) and Age Concern were mentioned. While supportive, there was a perception that they had neither the capacity nor the expertise to support individuals with most HMRC-related queries and were unlikely to be used by most individuals.

A smaller proportion would rely more heavily on friends or family members that were believed to be more knowledgeable about tax and benefit and credit issues.

A minority of customers (typically more elderly) believed that they would be unlikely to use an alternative source of support (including the HMRC Contact Centre helpline), and instead risk completing their tax returns incorrectly themselves.

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Improving the existing services

When customers were asked, in the light of potential closures to Enquiry Centres, about ways in which current alternatives to the Enquiry Centre could be improved, the following aspects were mentioned:

- “ Making the Contact Centre helpline free from mobile phones (or offering a call back service)
- “ Reducing the waiting time to get through to the Contact Centre
- “ Better customer service from Contact Centre staff; ideally allowing for ownership, accountability and personalisation of contact (i.e. individual points of contact)
- “ Ensuring Contact Centre staff have sufficient time to listen to customers and to make comprehensive notes on their system following a call
- “ Enabling customers to engage in two-way electronic communication with HMRC staff (e.g. via secure email or messenger type functionality). However, either option still requires individuals to be able to articulate their issue without showing documentation
- “ Simplifying the HMRC website to improve navigation and access to relevant information/sources of support