

**HMRC Research**

**Understanding quality of service  
from a customer perspective**

**TNS-BMRB Report**

**May 2013**



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# Executive Summary

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## Introduction

TNS BMRB was commissioned by HMRC to conduct a qualitative study exploring customers' view of what constitutes a quality service. This work represents one of multiple strands of work comprising HMRC's review of its internal measures of quality. Research included representatives of four different customer groups – Personal Tax filers (PT), Benefits and Credits recipients (B&C), SMEs and Agents. This research also explored the service features that have the greatest effect on perceived quality of service and how customers define adequate and high quality service for those features.

Eight qualitative group discussions of approximately 90 minutes were undertaken with members of the four customer groups during March 2013.

## Customer expectations and needs of HMRC

Customer expectations of HMRC service differ according to customer group. Customer groups with less frequent interactions with HMRC based on simpler issues and problems tend to have fewer needs from its customer service than those interacting frequently and/or regarding more complex issues.

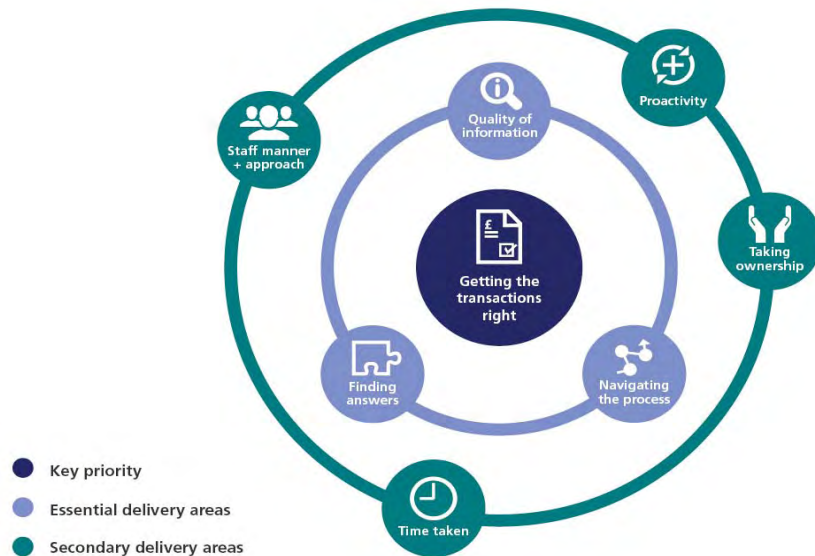
In this research, PT and B&C customers tended to have similar, relatively simple relationships with HMRC. Satisfaction with HMRC was relatively high overall, driven by satisfaction with the service provided by contact centre staff. Interactions tended to resolve around use of the contact centre, with the HMRC website and postal channels of interaction being used less frequently. Where these channels were used frustrations were raised.

SMEs and Agents reported much more complex relationships with HMRC overall and fuller use of the range of complex channels, and much lower satisfaction with customer service. Although these groups were more willing to seek out information online in the first instance, difficulties with the HMRC website tended to drive them to use the call centre to answer their more complex queries. Frustrations were reported regarding the inability of contact centre staff to answer more complex queries. Another key issue for these groups was the lack of joined up information across customer service channels – for example, the inability of contact centre staff to access information submitted online or by post.

Research clearly indicated that customers have fundamentally different expectations of HMRC as compared to commercial organisations. Customers recognise that HMRC provides a complex service which must meet a wide range of customer needs, within the constraints of a publicly funded budget. Rather than seeking out differentiators of *quality* – as they do when acting in a free commercial market with multiple service providers – customers expect an *adequate service* to be provided by HMRC.

## Customers' perceptions of HMRC's quality

Customers were asked to identify the areas that define 'adequate' or 'high quality' service by HMRC, and some key priorities emerged. We introduce these priorities in our 'Quality atom model.'



As shown in this model, customers reported that evaluation quality revolves around one key priority: getting transactions right. They want HMRC to get transactions right in the first instance (avoiding any need to get in touch with customer service) or, barring that, to be able to work with HMRC to resolve problems. Without this fundamental need being met, they will not feel an adequate service has been provided.

Customers also identified three essential delivery areas of service which they felt supported this fundamental need. They considered that HMRC's customer service should focus on these areas to ensure their key priority of getting transactions right were achieved. These delivery areas included: 1) the provision of high quality information, 2) easy access to the answers they need, and 3) easily navigated processes.

Beyond these essential delivery areas, customers identified aspects of service which constituted secondary delivery areas – aspects of service which were less essential to getting transactions right but still had an impact on their overall customer experience. These included: 1) staff manner and approach, 2) time taken to contact HMRC and resolve issues, 3) staff taking ownership of issues, and 4) staff proactivity. Although all of these areas are important to customers, when asked where they are willing to make 'trade-offs' customers are willing to sacrifice delivery in these areas if necessary – for example, being willing to wait longer or deal with less friendly contact centre staff if they can achieve the fundamental priority of getting transactions right.

### Adequate and high quality service delivery

The research then set out to provide insight regarding the aspects of service that defined 'adequate' and 'high quality' delivery for each of the essential delivery areas and secondary delivery areas, as defined by the atom model. Customers did not differentiate between

'adequate' or 'high quality' service for their fundamental priority of getting transactions right – this was considered in black and white terms, either achieved or not achieved.

Conversely, customer felt that any of these areas could be delivered by HMRC in an adequate or high quality way. Whilst 'high quality' service was defined differently for each customer group, there were strong similarities between 1) PT and B&C customers, and 2) SMEs and agents. The research provides guidance for each area of service regarding the 'dividing line' to achieve high quality or adequate service for these two customer groupings.

## Conclusions

- Customers desire an 'adequate service' that meets four minimum requirements: 1) calculations and transactions need to be correct; 2) HMRC needs to provide high quality information across all channels that is easily understood; 3) answers to queries need to be easy to find; 4) HMRC processes need to be easy to navigate.
- Additionally, B&C and PT customers desire an empathetic and friendly customer service. SMEs and Agents prefer a more business-like approach.
- Although they are often willing to 'trade' time taken to contact HMRC and receive replies to queries for other areas of service, speed of service is also important to customers.
- Customers consider HMRC should continue to develop its digital offering, focusing particularly on website usability, navigation and content. They would like to find answers to questions easily on the website, and want to be able to be confident in the quality of information provided.
- Although experiences with the contact centre are generally positive for PT and B&C customers, easier access to specialist expertise would help improve perceptions of quality for SMEs and Agents.

# 1. Introduction

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## 1.1 Research background

HMRC has a long track record of researching the customer experience, with a survey that has run at least annually for over 10 years among key customer groups, complemented regularly with further exploratory and developmental work. It is important to HMRC to understand what the customer needs and to meet its targets of providing a service that customers see as even-handed and simple, making it easy for customers to get things right. Many of the key performance indicators measured in the Customer Survey (CS) are shown in Figure 1 below.

**Figure 1. HMRC experience measures**

Understand what you had to do
Complete the processes
Get in touch with HMRC
Giving you all the answers you needed
Service designed with your needs in mind
Doing everything they said they would
Keeping you well-informed
Getting things right
Respond to you
Deal with your issue
How well treated by staff
Flexibility
Satisfaction with final outcome
How straightforward

The results of the customer survey are an invaluable starting point to understanding where improvements are needed to achieve this, as well as continuing to track HMRC's progress to becoming a more customer focused organisation. Survey results also feed into key impact indicators to assess whether the department has met key objectives.

HMRC are currently reviewing its internal measures of quality. As part of this review HMRC commissioned research that surfaces customers' views of what constitutes a quality service, together with evidencing the service features that have the greatest effect on perceived quality and how this affects the customer experience of dealing with HMRC.

As we will discuss, although this research originally aimed to connect customer understanding of quality of service to the HMRC experience measures, discussions revealed an apparent 'mismatch' between these and how customers defined quality of service in their own terms. This report thus maps customer experience according to customers' self-generated priorities in terms of quality of service. How these map onto HMRC's experience measures – and departures from these – are explored in Section 4.

## 1.2 Aims and objectives

This research explored the service features that have the greatest affect on perceived service quality and how customers define adequate and high quality service for those features.

Specifically, the research aimed to:

- Explore what quality of service means to HMRC customers;
- Understand how customer views of quality relate to the service they have received;

- Identify the specific elements of service that have the highest influence on customer's perceptions of quality and how these differ by customer group and channel of communication;
- Explore how the elements of service that drive perceptions of quality relate to the customers' rating of the service they have received, as evidenced by the Customer Survey.

### **1.3 Approach**

The research comprised eight group discussions in total, two each across four customer groups: Personal Tax (PT), Benefits and Credits (B&C), Small and Medium Enterprises (SME) and Agents. Respondents were sourced by TNS BMRB from a sample provided by the HMRC Customer Survey. These were selected on the basis of responses to the 'straightforward' measure on the 2012 Customer Survey Waves Q2 and Q3. The sample included both individuals with 'Positive' and 'Negative/Neutral' responses to this measure.

Fieldwork was conducted between 4<sup>th</sup> March and 15<sup>th</sup> March 2012. Group discussions, each lasting approximately 90 minutes, were structured using a topic guide. Interviews were digitally recorded with respondent consent. Data was then analysed using content analysis to identify and map key themes, customer needs, and expectations of HMRC's customer service.

Further details of the interview and analysis processes, including the fieldwork materials used, may be found in the Appendix.

## 2. Customer Expectations and Needs of HMRC

This research aimed to explore what ‘quality of service’ means to HMRC customers. This chapter explores the way in which customers’ typical experiences with HMRC differed according to customer group, and how this related to their key customer service needs.

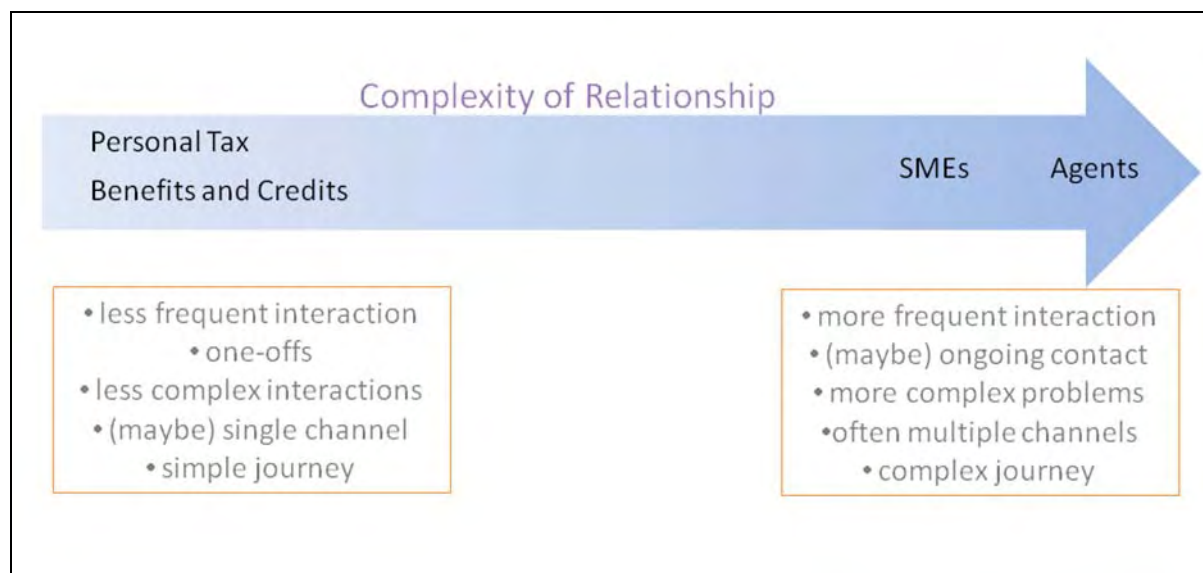
### 2.1 Differences in relationship complexity across customer groups

This research showed that customer expectations of service are partially dependent on the nature and complexity of their interactions with HMRC. For example, those who rarely contact HMRC, and do so with regard to fairly simple issues and problems, had less experience to draw on and fewer needs in terms of what constitutes quality service. Conversely, those with more complex and on-going relationships identified a broader range of service characteristics that impact their experience.

Mapping the nature of customer interactions with HMRC revealed that experiences differed across customer groups, with some groups having much more complex relationships with HMRC than others. Complexity of relationship was judged in terms of frequency of interaction, length of contact, complexity of problems and issues arising, number of contact channels used, and overall complexity of customer journey.

As shown in Figure 2 below, PT and B&C customers tended to have much simpler relationships with HMRC overall than SMEs and Agents.

**Figure 2. Complexity of relationship by customer type**



The nature of relationships for each customer group is explored in the following sections.



## 2.2 Benefits and Credits

As noted above, B&C customers had relatively simple relationships with HMRC, often characterised by one-off or infrequent interactions centred on fairly basic enquiries (e.g. how to make a claim, or notify HMRC of a change of circumstances). B&C customers tended to be single-channel users, with high usage of the contact centre and relatively limited use of the website and postal contact systems compared to other groups. They reported largely positive experiences with HMRC overall, driven by their satisfaction with the service provided by contact centre staff.

### *Website*

The HMRC website was not a key channel for this customer group. Respondents were typically less confident than other groups in their ability to find and interpret needed information online, and found this channel less reassuring than discussions with staff via the contact centre. There were also concerns raised about sharing personal data online in this group.

### *Contact Centre*

Customers in the B&C group reported that contact centre staff were usually able to handle their queries efficiently, with the first point of contact often being able to answer questions or resolve concerns. They noted that the reassurance provided by interaction with a 'real person' was key to their use of this channel; they often found benefits and credits information difficult to understand and emotive to discuss. Although B&C customers indicated some frustrations regarding contact centre waiting times, this did not tend to negatively impact judgements of their service experience as a whole; the opportunity to speak to staff directly and have their questions answered was more important to the B&C group than the amount of time it took to reach them.

*'I don't have complaints... they answered my question... pretty simple.'* (B&C, Positive)

*'I'd rather give them a call than be looking for all the information online myself.'* (B&C, Negative)

### *Post*

Overall, this group reported few experiences of contacting HMRC via post. Among those who had submitted materials by post, some noted that they were more comfortable using this channel to submit personal data than digital methods such as email or online forms. However, those that had used postal channels also reported frustration regarding waiting times for replies to enquiries or submissions (e.g. of requested information). As will be discussed in the sections to follow, this was a frequently reported issue for this channel across customer groups.

*'I don't really understand why it takes them so long to respond. How long can it take... to answer a letter?'* (B&C, Negative)

This group identified two key needs from HMRC's customer service:

- 1) Easy access to contact centre staff able to answer basic queries

- 2) An empathetic service, particularly in terms of staff's approach when responding to customer questions or concerns.

## 2.3 Personal Tax

Respondents from the PT group also typically had fairly simple interactions with HMRC overall, revolving for example around yearly online filing. However, they were more likely to engage via multiple customer service channels than B&C groups. Respondent positivity regarding HMRC's service was also somewhat mixed, with both strengths and weaknesses identified across the different channels used.

### *Website*

The HMRC website was a key channel of interaction for the PT group, primarily for the use of online submissions (e.g. registration, self assessment and online filing). PT customers generally reported positive experiences regarding web submissions and noted that these systems generally worked well.

*'Once you have done it once it's so easy... It's actually a really good part of the website. Clear and simple instructions'* (PT, Positive)

However, frustrations around website navigation and search difficulty emerged for those that attempted to locate relevant rules online, problem solve submissions processes, or find answers to specific queries. They found information on the HMRC website difficult to find, unclear, and hard to interpret. Although willing to use this channel in principle, difficulties often resulted in follow-up engagement with the contact centre.

### *Contact centre*

As with B&C respondents, the PT group reported that their first point of contact with the HMRC contact centre was often able to answer enquiries or resolve their problems.

*'I could not ask for anything more... I was dealt with smoothly and by the first person I spoke to ... reassured by staff that money will be refunded shortly'* (PT, Negative)

However, they also reported more frustrating experiences with staff that they perceived as less knowledgeable. Although some respondents said that they felt that the general level of knowledge seemed to be improving over time (i.e., over the last few years), staff members were generally perceived as having mixed ability to answer basic queries.

Additionally, the PT customer group reported some frustrations regarding call waiting times or contact hours that they perceived as inconvenient (e.g. due to a lack of weekend contact hours).

*'Sometimes calls answered quickly, other times 30min wait...hit and miss...I normally call from work or when I have my hands full with the kids so I have not got long'* (PT, Negative)

### *Post*

Although this was not a key contact channel overall for this group, those who had interacted with HMRC by post tended to report fairly low satisfaction overall. Respondents raised frustrations around perceived long waiting times for replies. They also reported that post was sometimes lost and thus required them to submit information multiple times. This issue was exacerbated by customers' frustrations regarding the inability to track submissions and receive confirmation that they had been received.

*'I wrote to HMRC about an exemption after being told to by staff on the phone and never heard back from them, I still haven't! Where are all the letters going'* (PT, Negative)

PT customers reported three key needs from HMRC's service:

- 1) The provision of clear and accessible information on the HMRC website
- 2) Easy access to contact centre staff able to answer basic queries
- 3) An empathetic service, particularly in terms of staff's approach when responding to customer questions or concerns.

## **2.4 SMEs**

In contrast to B&C and PT groups, SMEs reported much more complex relationships with HMRC overall and typically interacted with HMRC via the full range of contact channels – at times using all channels to resolve a given problem or enquiry. This group reported that they were generally willing to seek out information online as necessary, but difficulty locating answers to complex queries often resulted in a need for follow-up engagement via the contact centre. Post was also often used by this group as part of resolving complex issues. Overall, this group found HMRC's contact processes difficult to navigate, in part because of a lack of joined-up services and information sharing across channels. Finally, respondents also reported that they sometimes used third-party providers – e.g. SAGE – to answer queries rather than contact HMRC for information.

### *Website*

Although this group reported online submissions to be a strength of the HMRC website (e.g. VAT and PAYE submissions), like other groups, they voiced frustrations with the website as a channel for information gathering. This was due to navigation and search difficulty – including difficulty with the search function – and a perceived lack of clarity of information. In particular, SME customers reported a desire for easy access to website forms.

*'You can't solve a tax problem on the [HMRC] website because the website isn't good enough.'* (SME, Positive)

*'There are times I haven't been able to understand it [website] and so I have rung up.'* (SME, Positive)

Some respondents in this group had also used the website's online forms to submit queries and indicated frustration regarding slow replies.

### Contact centre

An empathetic customer service manner was less of a priority for this group; instead, contact centre staff were judged on their ability to provide an efficient, professional service and their ability to answer more complex questions. SME customers generally reported that the first point of contact was often unable to respond to their complex queries, and at times were unsure how to escalate calls appropriately to provide access to more specialist knowledge. Some SME respondents felt that the level of staff knowledge had declined in recent years.

*'You get the impression that the quality of staff has gone down over the years.'* (SME, Negative)

However, it was reported that some specific lines operated well in terms of access to more specialist knowledge, such as the VAT line.

*'VAT line – has been brilliant...get through quickly... I've made a mistake and they have been helpful, very good. On the tax side they were very helpful and talked me through the process.'* (SME, Positive)

Customers in the SME group also reported that they found it frustrating that information submitted across postal or website channels was not fully 'linked' with contact centre information. They reported that contact centre staff were not able to easily access and view materials submitted via other channels – which resulted in key information needing to be repeated, or in the contact centre not being able to provide full information regarding the progress of queries and issues.

*'Communications are really important. We really need to know what is going on.'* (SME, Positive)

### Post

As for other groups, SME respondents reported frustration regarding the lack of tracking ability for materials submitted by post. Problem resolution or queries sometimes also involved multiple postal contacts handled by different processing centres, which at times resulted in confusion regarding the correct contacts to approach to progress issues.

Three key needs from HMRC were reported by this group.

- 1) The provision of clear and accessible information on the HMRC website
- 2) Easy access to contact centre staff able to answer queries
- 3) Integration of information across channels

## 2.5 Agents

Of all the customer groups represented, Agents presented with the most complex relationships with HMRC – typically engaged in frequent, complex and often ongoing interactions across the full range of contact channels. Their experiences were described as more negative overall due to high needs for specialist knowledge, which they found difficult to access via current HMRC channels. This group of customers were very comfortable understanding complex financial

information and preferred to seek out information online when possible, but as with other groups found that access issues often resulted in a need for contact centre engagement. Of all the groups, interest in linked-up information across channels was strongest for Agent respondents; they reported high frustration with perceived slow progress and navigation difficulty due to a lack of joined up services.

### *Website*

Respondents in the Agent group praised aspects of HMRC's website, describing it as reasonably comprehensive and as a useful tool for submissions, registrations, confirmation notices and checking payments.

However, as for other customer groups, the website often presented a source of frustrations for Agents. They felt that they were often unable to locate information required to answer complex questions, largely due to the navigation and search difficulty noted across customer groups. This was exacerbated by concerns about the quality of information provided – for example, concerns that in some cases website material was not up to date. This often drove them to the contact centre to ensure that they operated correctly on behalf of their customers.

*'The search engine is so frustrating – you often end up using Google as a hack to find what you need. The results page is endless.'* (Agents, Positive)

*'Things are often out of date, or it doesn't have any date information on it at all. How do I know it's... accurate? What if I make a mistake... my client will hold me accountable.'* (Agents, Negative)

### *Contact centre*

Although some areas of service were regarded highly (for example, the Agent priority line or some specialist lines, like the Seafarers contact line), this group reported fairly negative experiences with the contact centre overall. Agents indicated that they found it difficult to reach staff able to answer complex queries due to a perceived lack of knowledge of first point of contacts and/or failure to escalate queries appropriately. Respondents spoke of feeling 'passed around' between staff members and reported frustration at needing to repeat information for multiple staff members. Given the frequency of contact involved, waiting times were also more of an issue for this group overall, an issue which was exacerbated by the perceived difficulty of reaching knowledgeable staff.

*'The general line is really hit or miss. No one is coming back to you, and you're on your fourth person trying to just get things resolved.'* (Agents, Negative)

*'Some of the specialist ones are good... the seafarers line is good and helpful... instead of just general knowledge.'* (Agents, Positive)

*'The amount of time taken to answer is frustrating, even on the dedicated call lines. Being on hold for ten minutes... I have to charge clients for that... it's too much.'* (Agents, Positive)

### *Post*

Of all the customer groups, Agent respondents were most likely to interact with HMRC via post. They raised similar frustrations to other groups regarding lack of tracking ability, lost post and waiting times. However, Agents perceived this as a much more significant problem given the frequency of their postal interactions and the ways in which postal submissions were required to progress issues. Respondents in this group reported that lost post and lack of joined up systems, combined with confusion regarding appropriate contact points, sometimes stalled progress in resolving queries or lengthened the amount of time needed to solve problems. They felt this could at time prevent them from meeting their customers' needs efficiently – or at all.

*'There's lost materials and no continuity... and then it's like everything just starts over. There's no linked files.'* (Agents, Negative)

Three key needs from HMRC were reported by this group.

- 1) Easy access to contact centre staff able to answer complex problems – or the ability to escalate to senior staff appropriately
- 2) Clarify and streamline contact processes
- 3) Integration of information across channels

### 3. How Customers Perceive HMRC

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This chapter briefly explores how customers perceive HMRC and how that shapes their expectations of HMRC's service.

Research clearly indicated that respondents' expectations of customer service – and whether an adequate or high quality service was expected – were dependent on the type of service provided and the nature of the relationship between the organisation and customer. They have fundamentally different expectations of HMRC as compared to commercial organisations.

*'HMRC isn't Orange. I don't think of them the same way.'* (Agents, Negative)

In their relationships with *commercial* providers, respondents noted that they have the luxury of choice: there are multiple providers available who will all offer the (essentially) same basic service. In this situation, there is a higher expectation of high quality service; customers are seeking out differentiators of quality – aspects of service that help a company stand out against others and provide a reason to choose them over other alternatives. Respondents also indicated that their customer service expectations were higher for commercial organisations as they are paying for the service directly.

*'[With commercial providers] it's about the extras. I signed up to Sky Television on Friday for a new HD box and they said it will be here within 28 days and it arrived this morning...'* (PT, Positive)

However, respondents had very different expectations of *government providers*, and HMRC in particular. They did not expect HMRC to provide a service equivalent to the private sector. This was due to a number of factors. Respondents recognised that HMRC has a different (legal and monopolistic) relationship with its customers; they cannot choose whether or not to engage with it, nor can they 'shop around' for other providers. They also said that it provides a very complex service, which must meet a wide range of customer needs. Furthermore, respondents indicated that whilst they may be paying for HMRC's service indirectly (through tax) they do not expect this to translate to 'bells and whistles' service. Instead, they acknowledged that HMRC's service is budget-limited and has to demonstrate efficient use of public funds.

*'The difference between other organisations and HMRC is that in my head I do not see myself as being a customer of HMRC, they are a government branch'* (PT, Positive)

*'We don't need a high quality service. It would only happen if the government threw billions of pounds at it and we would end up paying for it anyway. A fit for purpose, adequate, correct, service is all I require.'* (SME, Positive)

*'I can't choose not to go HMRC can I?'* (B&C, Negative)

In the absence of expectations of a high quality service, respondents instead indicated that they fundamentally want HMRC to provide an adequate service that meets their key needs.

*'I have to interact with them on a regular basis to do my job – all I want is to make sure I can get what I need.'* (Agents, Positive)

*'No one sets out in business to deliver an adequate service. They want to deliver a high quality service. But HMRC don't need to deliver a high quality service. They are just an instrument and delivering an adequate service is fine, providing what they do is correct.'* (SME – positive)

We explore respondents' key expectations from HMRC in the following chapter.



## 4. Customers' Perceptions of HMRC Quality

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This chapter introduces an 'atom model' (Section 4.1) of customer needs which maps out customers' key expectations of service from HMRC and the aspects of service which have the most impact on perceptions of quality. This model was developed in discussions with customers regarding their key priorities in terms of HMRC's customer service.

As explored below, how customers viewed and expressed these priorities were not always in synchrony with HMRC's current customer experience measures. How this model relates to HMRC's customer experience measures are explored in Section 4.2.

### 4.1 Quality atom model of service delivery

When customers were asked to speak about the elements that define 'adequate' or 'high quality' service, it became clear that:

- 1) This depended largely on *how aspects of customer service were delivered*. That is, any given element of customer service could be delivered in either an adequate or high quality way.
- 2) Customers defined the areas of quality differently from person to person – *there was not an agreed-upon meaning for each area*. Rankings between customers were often based on different interpretations of the measures, and thus difficult to combine into one 'user voice' in any meaningful way.

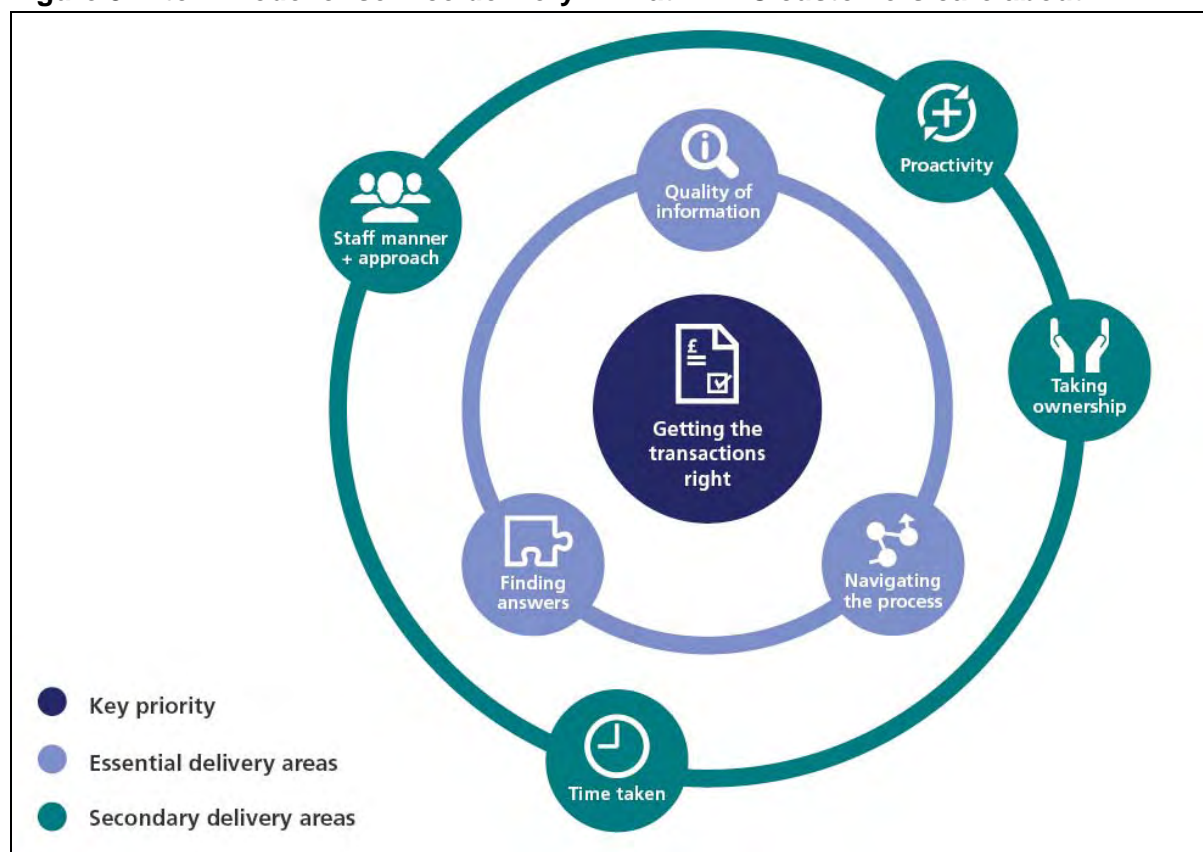
When customers were instead asked to consider what they cared about when dealing with HMRC, they began to think in terms of *key priorities in terms of what HMRC needs to deliver in its customer service*. Mapping respondents' expectations from HMRC then revealed that needs revolve around one **key priority**: fundamentally, customers want to ensure that transactions are right.

Supporting this, they identified three **essential delivery areas** which are fundamental to achieving this basic need.

Finally, four additional aspects of service constitute **secondary delivery areas** which, although less directly related to the priority need of 'getting transactions right', still impacted perceptions of quality of service.

Each of these service areas is shown diagrammatically in Figure 3 and introduced in the following sections. The characteristics that would define adequate or high quality service in each service area – and how these differ across customer groups – are further explored in Section 6.

**Figure 3: Atom model of service delivery - What HMRC customers care about**



## 4.2 Key priority

Fundamentally, respondents reported that their key priority from HMRC is correct transactions. This was conceptualised in two related ways.

First, respondents noted that ideally, HMRC would get all transactions right in the first instance, obviating any need for problem-solving or contact with customer service.

*'I don't want to call them. Just do your job right.'* (B&C, Positive)

*'I would like them [HMRC] to get it right in the first place. That's a top priority. And if they get it right we wouldn't have to contact them as much.'* (SME, Negative)

Second, customers prioritised being able to achieve correct transactions when errors do occur. They acknowledged that mistakes can and will occur, not only via HMRC error but via user error as well. In these cases, respondents reported that they need to be able to work with HMRC to resolve issues accordingly to achieve correct transactions.

Respondents noted that unless this fundamental need of getting transactions right is met, regardless of what else is provided, they will not feel that an adequate service has been provided.

*'At the end of the day, they are no use to me if I can't get things right.'* (Agents, Positive)

*'They should be getting it right in my opinion. That is a basic requirement.'* (SME, Negative)

The three essential delivery areas identified as supporting this key priority are explored as follows.

### **4.3 Essential delivery areas**

Respondents judged that three areas directly supported their key need of getting transactions right. It was felt that HMRC should focus on these areas to achieve an adequate level of service. Without needs being met in these three areas, regardless of what else is provided, customers would not consider that an adequate service had been provided.

#### **Quality of information**

Respondents reported that the provision of high quality information is essential to their ability to achieve correct transactions with HMRC. They reported that information provided by HMRC to customers (via the website, contact centre, or post) needs to be correct, up to date, easy to read and understand, and be consistent across channels.

*'It is not a service if it is not correct...if you bring in a car for service and it is not fixed then it is not a service.'* (PT, Positive)

#### **Finding answers**

Respondents desired easy access to the answers they need, either via the website or contact centre. In particular, it was noted that the website needs to be easy to navigate and search. In interactions with contact centre staff, respondents wanted easy access to the correct level of knowledge needed to answer their query – either via the first point of contact or through escalation to more senior staff members.

*'There's no point in contacting them unless the knowledge is there.'* (Agents, Negative)

#### **Easily navigated processes**

These two service areas need to be supported by easily navigated processes. Respondents reported that they need to know what is expected of them, what they need to provide, and any next steps required. They need to know how to work through a process and feel that progress is being made.

*'You just want the issue dealt with as quickly as possible, but in the mean time please keep us informed of the progress of issues and what I need to do, and what you're going to do.'* (PT, Positive)

### **4.4 Secondary delivery areas**

Beyond the essential delivery areas outlined above, customers also identified four secondary delivery areas. These were areas of service which were less essential to the fundamental priority of getting transactions right but still had some impact on their customer service

experience. However, research indicated that improvements across these service areas would have little impact on customers' perceptions of quality of service unless the key priority and essential delivery areas were also provided.

### **Staff manner and approach**

All customer groups reported that they want an honest and respectful service from HMRC. Customers with simpler relationships with HMRC preferred a friendly, empathetic customer service. Those with more complex relationships preferred a professional and businesslike manner.

*'It helps to be kind... just recognise that I'm not calling because I want to... be human.'*  
(B&C, Positive)

*'How are you and how was your weekend is very nice, but I've got things to do!'*  
(Agents, Negative)

### **Time taken**

Respondents indicated that they ideally want speedy contact with HMRC (via telephone, post or web contact) but are generally willing to trade time taken to get in touch with HMRC and to resolve issues for correctness of transactions. However, some respondents noted that they would also like HMRC to recognise when urgent action is required.

This finding can somewhat appear incongruous with previous researches, suggesting that waiting time is a very important aspect in shaping customer experience. However, it is important to note that customers were asked to focus on areas that influenced their perceptions of quality, and therefore the relative importance of some aspects may differ from previous research on customer experience. Whilst respondents did raise that waiting times did affect their customer experience (in terms of both call waiting times and time taken to respond to online/postal queries), when directly questioned as to which aspects of service they were willing to 'trade' for others, most felt that they were willing to sacrifice speed.

*'I'm prepared to wait as long as it takes but need to know that it is being dealt with.'*  
(PT, Negative)

*'They could take as long as it wanted if they got it right and kept you informed of progress.'* (PT, Positive)

*'I'm quite happy to wait to get information, but if I have a problem I want that information very quickly.'* (SME, Negative)

Of course, unreasonable waiting times could still negatively impact customer's satisfaction with HMRC service. Reported 'adequate' and 'high quality' waiting times are explored in Section 6.

### **Taking ownership**

Respondents reported that they want to know that staff will try their best to help solve a problem, including drawing on experts when needed. They want to be kept informed of progress, not have to seek updates, and for HMRC to admit when errors are made.

*'I wish people were accountable – I don't want to start a process and then have to chase it and chase it. Do what you said you were going to do.'* (Agents, Negative)

*'You don't want to get fobbed off.'* (Agents, Positive)

*'I hate being passed from pillar to post to get your query answered.'* (PT, Positive)

### **Proactivity**

To go 'above and beyond', respondents indicated that they would appreciate it if HMRC helped them identify inconsistencies or potential problems.

*'If a code is going to change or something, why not contact everyone and let them know?'* (PT, Negative)

*'It would be nice if they could think... about the whole picture. I've contacted you with this issue, but tell me if there's something I should know... rather than hit the next point in the process and then stall.'* (Agents, Positive)

## 5. Mapping customer priorities to HMRC customer experience measures

The HMRC Customer Survey experience dimensions were designed to understand what drives perceptions of how ‘straightforward’ it is to deal with HMRC. While there was interest from HMRC for this research to explore how the different HMRC customer experience

<b>Figure 5. HMRC Customer Survey experience measures</b>
For all customers:
Ease of understanding what to do
Ease of completing the process
Giving you all the information you need
Good at getting things right
Staff’s ability to deal with your issue
Ease of getting in touch
Acceptability of time taken
How well staff treated you
Keeping you informed about progress
For Agents only:
Recognising Agent authorisation
How consistent HMRC are

measures (shown in Figure 5) relate to a service that customers would describe as either ‘adequate quality’ or ‘high quality’, it is important that note that a service that is straightforward to deal with is not the same as a quality service.

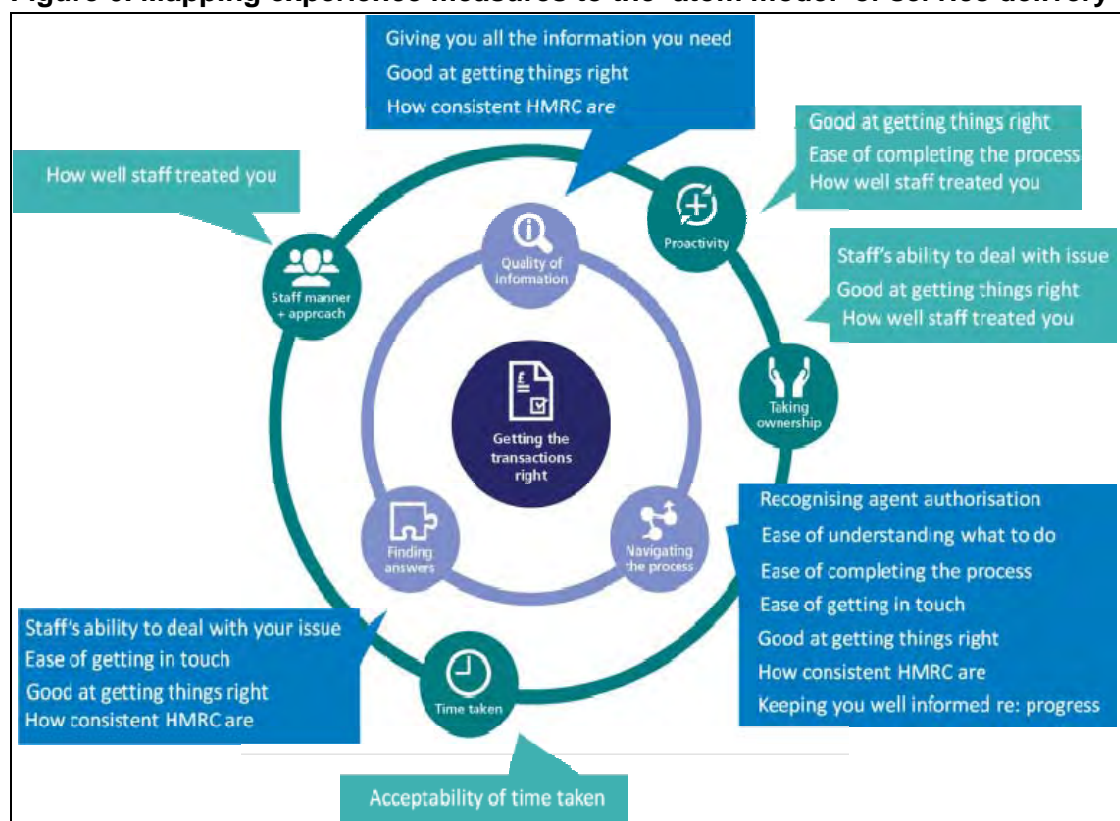
In addition, while the Customer Survey asks customers to rate their experience according to one particular dealing (which may comprise a number of transactions and channels),

when discussing the issue of quality customers were talking more generally about their overall experiences which comprised several dealings with HMRC.

Consequently, when we asked customers to map experience measures that are used in HMRC’s Customer Survey against different areas and levels of quality of service, they found that the two did not always map perfectly (Figure 6). However, there is a great deal of overlap, with some experience measures mapping onto different aspects of service delivery more than once. This reflects the fact that each aspect of service quality is multi-faceted (see chapter 6 which explains the different features that comprise each aspect of service quality), and as such can relate to multiple experience measures.



**Figure 6. Mapping experience measures to the ‘atom model’ of service delivery**



For example, for any given customer, the survey question ‘getting things right’ may mean:

- Providing all the right information needed for a customer to make an enquiry or to submit a return (*Quality of information*);
- Information that HMRC provides being up to date (*Quality of information*);
- Providing information required by a customer in an easily accessible format and that is easily found on HMRC’s website or through the contact centre (*Finding answers*);
- Providing customers with the means of accessing the information they need in an easy manner, primarily through an easily navigable and intuitively set out web site, or having the facility to access experts through HMRC’s contact centres (*Navigating the process*);
- HMRC taking ownership of an issue. This can mean HMRC staff finding an expert to deal with an issues, where relevant; making sure they call a customer back when this had been agreed to; or ensuring that corrective action is taken when an error is made, taking ownership of the issues where the fault lies with HMRC (*Taking ownership*); and
- Ensuring that online submissions provide error trapping so that simple mistakes (e.g. date format) cannot be entered, or where unusual patterns are detected before they cause any problems, such as entering 10,000 when 1,000 might normally be expected (*Proactivity*).

Similarly, the HMRC dimension ‘How staff treated you’ was also considered as having a variety of meanings. These were:

- A staff approach that reflects the nature of the customer – professional and business – like for SME customers and agents and friendly and less formal for C&B and PT groups (*Staff manner and approach*);

- Staff being more customer and 'right first time' focussed, ensuring that when a customer is handed off to another department or an expert that the issue is fully dealt with and the customer is not having to find their own way to an expert who can deal with their enquiry (*Taking ownership*); and
- HMRC's systems and staff being set up to be proactive by noticing unusual patterns in regular submissions or trapping errors before they cause processing problems (*Proactivity*).

Having disentangled how customers thought about service delivery and the attributes they would use in rating the quality of service, the research then set out to distinguish between those features that were required to provide an adequate level of service and those that moved the service to one of high quality. This forms the substance of the next chapter.



## 6. Adequate and high quality service delivery

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One of the objectives of the research was to provide insight in those aspects of the service that define an adequate level of service and those that raise the service to being high quality.

As discussed in Chapter 4, quality of service was defined by customers in terms of a central requirement of transactions being correct, a set of essential delivery areas and a further set of secondary delivery areas (Figure 3).

Customers were then encouraged to brainstorm the range of features that they would expect to find for each aspect of service delivery. Having defined the range of features, customers were then asked to differentiate between those that were essential for an adequate level of service delivery and those that they would expect to feature in a high quality service. Where possible, customers were asked to rank order each of the features; they found this quite difficult to do and with small numbers of participants in each of the group discussions it was difficult to arrive at any definite ordering of service requirements. However, they were often able to define one feature that was the most important. Where this was possible it will be highlighted.

Customers did not differentiate between 'adequate' or 'high quality' provision regarding the fundamental priority of getting transactions right. This was considered something that was either done or not done.

Throughout the analysis, it was clear that the B&C customers and the PT customers were very similar in the way they thought about the features that defined adequate or high quality services. While there were some exceptions, SMEs and Agents were also very similar in their requirements. Consequently, in order to minimise repetition we have combined the findings for each of these two groups, pointing out differences where they occurred.

In the following sections we present, for each aspect of quality of service, the features that customers expect to see and whether they reflect an adequate or high quality service. These have been shown graphically. The yellow bars reflect the requirements of the B&C and PT groups; the blue bars those of SMEs and Agents. The darker colour in each case represents the features that make an adequate service; the lighter colour the features that contribute to a high quality service. In some cases a feature was on the cusp of being both an adequate and high quality service; customers felt that while these features were really part of an adequate service they made the service *'just that bit better'* which made the service feel slightly more like a high quality service.

### 6.1 Quality of information

*'The information – and especially the website – just needs to be understandable. They should help us to understand...Too much of the language they use is gobbledygook. HMRC seems to be writing the information for their own glorification, not for our understanding.'* (SME, Positive)

*'If you get in touch with me, just make it clear.'* (Benefits and Credits, Negative)

Overall, the four customer groups participating in the research had identical requirements for the provision of adequate and high quality information. For each, and the most essential feature, was that any calculation that was

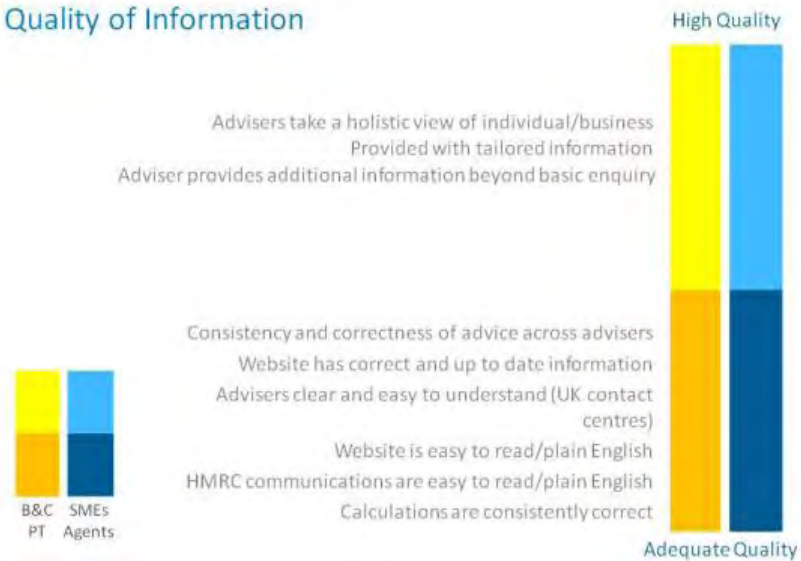
undertaken by HMRC was consistently correct. This was considered to be a fundamental requirement and an essential feature of HMRC providing an adequate level of service. Further features of an adequate service include:

- the provision of easily understood HMRC communications, with letters and Notices of Coding being particularly mentioned. A number of personal tax customers mentioned that they had sometimes received a number of Notices of Coding over a short period of time and could not understand why this had occurred. For them, this reflected a poor level of service, partly because of the number of notices received and partly the lack of explanation;
- a website that contains information that is both easy to read and accessible and that is up to date. While Agents were well versed at accessing HMRC's website, comments were made across all the customer groups as to how difficult many of the pages are to read. This was because of the combination of legal requirements and process information contained in pages, the length of pages, the lack of flow and process diagrams and insufficient worked examples. In addition, SMEs and Agents also commented that the VAT pages were often out of date;
- Customers also considered that HMRC advisers that were easy to understand, correct in the information they gave, and were consistent provided the basis of an adequate service.

A high quality service would be characterised by:

- An HMRC adviser providing information that went beyond the basic enquiry and providing a more rounded explanation of an issue;
- Information that was tailored, where relevant, to the individual or business. In this respect, customers complained that information they received from contact centre advisers was generic in nature and in some cases clearly being read directly from HMRC's web site;

## Quality of Information

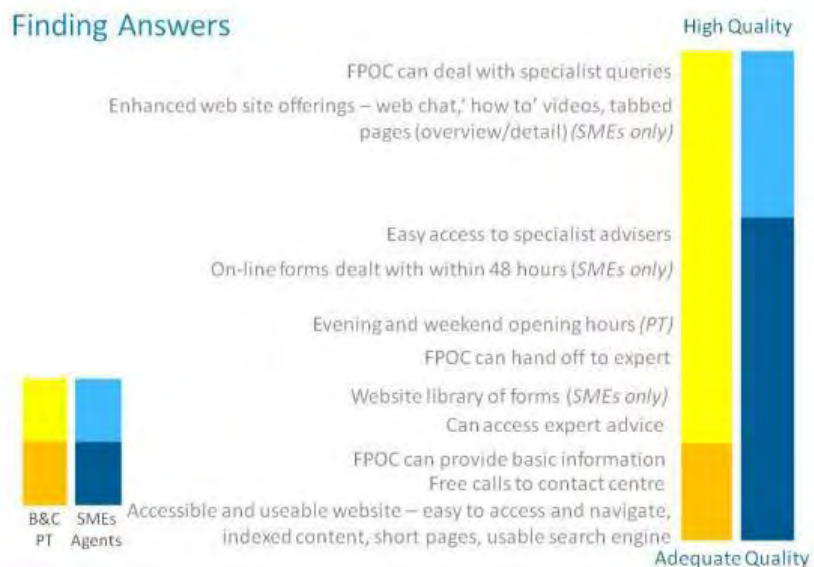


- Customers thought that if HMRC generally, or an adviser specifically, took a holistic view of their dealings with HMRC, this would be the ultimate in providing a high quality service. While all the customer groups mentioned this, it was PT customers, SMEs and Agents for whom this was most significant and where the individual customer, or business, had complex financial and tax affairs.

## 6.2 Finding Answers

*If we understood what to do then we wouldn't need to talk to them...A phone call means there has been a breakdown. So, if we don't understand what they are trying to tell us then there has been a breakdown at their end. (SME, Positive)*

For Benefits and Credits and Personal Tax customers being able to find answers through an adequate quality system required an easily accessible and useable website. For these customers, this meant that the website was easy to navigate, with short pages whose content was indexed and easily sought through an intelligent search engine.



### Benefits and Credits

customers expressly wanted free calls to the contact centre; personal tax customers were in agreement, although it was less of a pressing issue for them. The first point of contact (FPOC) should also be able to deal with issues, providing a basic level of information that is correct and consistent.

SMEs and agents, however, had additional requirements for an adequate service. These were:

- The FPOC can access, or refer the customer to, an HMRC expert, where this level of information is required;
- The HMRC website should provide a library of forms, indexed by both their name and their form number (SMEs only);
- Online forms (enquiries) should be dealt with (i.e. a full reply rather than a holding message) within 2 working days.

*'I'm not an idiot, I know my stuff – If I'm calling you it's probably pretty specialist. I need someone... who knows their stuff.'* (Agents, Positive)

*'My accountant is always telling me he has phoned HMRC. He has been in the business for 40 years and knows all the ins and outs and yet he still has to call them to find out about things. That just sums it up. That just says something about how HMRC provides information. And if the professionals have to ring up how can the layman be expected to manage?'* (SME, Positive)

For B&C and PT customers these aspects of service were part of a high quality service.

High quality features for all the customer groups additionally included:

- An enhanced web-based offering that included:
  - Online web chat with an adviser (as an alternative to telephone calls);
  - 'How to' videos, which were especially mentioned by new SMEs;
  - Frequent comments were made about the combination of legal and process information on HMRC's web pages which made them very difficult to digest and navigate. While this could be useful in some circumstances and some SMEs and agents still required this, others called for tabbed web pages, with one tab comprising the legal requirements for an issue and a second tab that comprised the processes required. Other suggestions included separate 'overview' pages plus separate pages dedicated to the legal requirements and process aspects of the issue.
- A FPOC that could deal with specialist enquiries without being handed-off.

### 6.3 Navigating the process

*'I just want to get through the system.'* (Agents, Negative)

An adequate service for all customer groups comprised:

- Clear contact points for communication with HMRC. This was particularly raised in relation to postal communications. Customers commented how a letter would arrive from one office, the reply was to another office and further communication from HMRC may be from a third office. This was considered to be confusing;
- There were some experiences of letters to HMRC being lost. Submitting evidence once was a basic requirement of an adequate service;
- Clarity in understanding what a customer had to do in order to progress a claim or a submission through HMRC's systems;
- Ease of navigating the telephone system with minimal button processing. We understand that with the introduction of an Intelligent Telephony Automation (ITA) system across eight business lines that this will be largely dealt with;



- Confirmation of receipt for submissions or enquiries. While customers considered that this worked very well for online transactions, this was also required for postal communications; and
- For Agents only, a simple system for recognising agents' authorisation to deal on behalf of their clients.

Being informed about the next steps in a process was also part of an adequate quality service, but for B&C and PT customers was on the cusp of a higher quality service.

For SMEs and Agents there were additional features required for an adequate service, but which reflected a high quality service for the other two customer groups:

- Being informed about the next steps in the process and the timescales for response. In this respect, customers were often angered by HMRC's unequal reply requirements and for customers to be asked to reply within 30 days, but HMRC could take much longer to reply;
- Any enquiry to the contact centre, via the web or by post should have a reference number that can be used both for tracking purposes as well as for ease of reference where a customer needs to progress chase;
- Customers mentioned how contact centre staff would not know about information that had been submitted by post. Fully integrated systems that were joined up were part of these customers' requirements for an adequate service.

Features that made the service high quality for all customer groups included:

- A fully transparent process that listed from the outset, the steps to be taken and the likely timescale;
- Regular progress updates. This was especially called for where there was some sort of dispute;
- A case-worker approach whereby customers have a single, dedicated person dealing with their affairs; and
- A system that joined up the channels and was open to customer access so that progress could be monitored.

*'It would be great if they had one person you could call with the query... not having to repeat things... they'd know the full picture. Not sure it's realistic.'* (Agents, Positive)

## 6.4 Time taken to deal with enquiries

Customers were asked to consider how long HMRC should take to answer the telephone and deal with enquiries by post and web forms (Table 3, below). It should be noted that these are averages and based on very small numbers of participants with wide ranging experience of dealing with HMRC. Neither personal tax nor benefits and credits customers had dealt with web enquiries before and so were unable to provide an answer.

However, as noted previously, correctness of response was generally felt to be more important than the length of response time.



As discussed, in this research time taken to deal with enquiries emerged as of slightly lower priority to customers than some previous research would indicate. This is likely due to the nature of self-generated customer priorities regarding customer service overall, compared with a response to direct questioning around the importance of, for example, waiting times. Although waiting times may be top of mind when asked about customer experience – made salient by memories about particular transactions – when taking a broader view of quality of service this took lower priority in this research. For example, customers noted that if their fundamental needs were met (getting transactions right) they would be less likely to need to contact HMRC in the first instance, in which case time taken to deal with enquiries would not be relevant.

### Time taken for adequate or high quality service across contact channels

Time taken to answer the telephone (minutes)	Adequate	High
Benefits & Credits	10 – 15	5
Personal Tax	5	3 - 5
SMEs	5	1 - 2
Agents	5	1 - 2
Time taken to reply to post (days)	Adequate	High
Benefits & Credits	14 - 28	5
Personal Tax	14 - 28	5
SMEs	14 – 28	5
Agents	Less than 14	5
Time taken to answer web enquiries (hours)	Adequate	High
Benefits & Credits	n/a	n/a
Personal Tax	n/a	n/a
SMEs	48	1 - 2
Agents	48	1 - 2

## 6.5 Staff manner and approach

All the customer groups were very similar in their views about how HMRC staff should deal with them (or the staff approach). The differentiating factor was staff manner. As discussed previously, B&C customers in particular - and to a

### Staff Manner and Approach



lesser extent PT customers- wanted HMRC to be empathetic and sympathetic. While this was a required tone, or manner, for all channels, it was particularly required for contact centre advisers. B&C customers also welcomed the more chatty style of conversation that many advisers had already adopted. By contrast, as noted previously, SMEs and Agents were less keen on this style of interaction and required a more business-like and professional style with an emphasis on providing technical answers to questions.

*‘Dealing with HMRC is a formal process. It should be business-like. You don’t want them to be chatty and talking about the football. There is no sale involved. It should be business-like and professional. It should be about efficiency...but I think they need to be pleasant about it at the same time. I meant business-like, not dictatorial like a policeman but not jokey either.’ (SME, Positive)*

Common to all the customer groups and a requirement for an adequately delivered service were the following features:

- Staff provide the correct information (across any channel);
- Staff provide information that is consistent (both within and between channels);
- A service that is honest and truthful;
- Customers are treated with respect; and
- Staff listen to customers carefully in order to fully understand the issue.

For all customer groups, the one requirement that would reflect a high quality service would be where either HMRC generally, or a member of staff specifically (this may be a contact centre adviser, a member of the processing staff, etc.) admits when they have made an error.

## 6.6 Ownership

The concept of ‘ownership’ was discussed and considered to be a feature of service delivery that relied very heavily on staff having the ability to follow-through on enquiries and dealings. For HMRC to deliver an adequate service, all customers required:

- Contact centre staff to be able to deal with enquires and not ‘pass them around’. Should customers need to be handed-off to others then the FPOC should monitor that the hand-off was successful. Staff should also be able to recognise when they either cannot deal with an issue or when it needs to escalate to a more senior level;
- HMRC staff keep customers regularly and appropriately informed of progress;



- If HMRC needs to re-contact a customer, they do so in a reasonable and timely manner – for example, calling back within a matter of hours or days rather than weeks.
- HMRC admits when it makes an error (a feature that enhances the quality of an adequate service).

SMEs and Agents also consider that as an adequate service HMRC needs to make a number of attempts to contact customers, a feature that is part of a high quality service for B&C and PT customers.

Features that contribute to a high quality service for all the customer groups were:

- HMRC staff take time to help customers solve problems. Customers do not expect HMRC to solve all their issues, or to provide help and assistance with technical problems such as payroll software. However, they do want HMRC staff to help them to think through process issues, where the process has not worked as expected;
- Where mistakes are found, whether this is in a process or a calculation, customers expect HMRC – as part of a high quality service delivery – to undertake a full review of the case;
- Where relevant to the dealing, staff would locate information from other parts of the business; and
- Where re-contact is required, taking ownership means that staff ensure that that contact happens.

## 6.7 Proactivity

In terms of a service that is proactive, all the customer groups considered that as part of an adequate service HMRC should actively communicate to customers when rates (income tax, capital gains tax, VAT, national Insurance, etc.) have changed as well as changes to items which attract VAT.

For SMEs and Agents a proactive HMRC was one that employed online systems that would trap errors, such as date formats and missing decimal points, text boxes that contain numbers, or vice versa. For B&C and PT customers, who made less online submissions, this was a feature that was on the cusp of adequate and high quality services and if implemented would enhance an adequate service.



*'You want a facility that spots errors and asks you to check before submitting.'* (SME, Positive)

High quality service delivery, for all customer groups incorporated:



- The recognition of unusual patterns in online submissions before such an error had an impact. For example, one SME mentioned how their VAT submissions were normally around £10,000 per month but on one occasion a data entry error was made resulting in a submission of £100,000. This had a severe impact on the business' finances with HMRC taking some time to agree to a correction.
- Linked to quality of information, a high quality service would also entail HMRC taking a holistic approach to a business's finances, taking into account any linked issues, and issues that customers did not consider operated at the present time as HMRC departments were '*working in chimneys*'.

## 7. Conclusions: customer expectations for HMRC's future services

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This chapter brings together the earlier discussion and focuses on the type of service that customers expect HMRC to deliver, their requirements for a high quality digital service and those aspects of the current service where HMRC might focus in order to increase its quality ratings.

### 7.1 What type of service do customers expect from HMRC?

Overall, none of the customer groups expect HMRC to provide a service that is equivalent to the private sector. This is because: they recognise that HMRC has a different (legal and monopolistic) relationship with its customers; HMRC's services are much more diverse and complex than commercial organisations; and the nature of HMRC's service is budget-limited and has to demonstrate it uses public money efficiently.

They expect an 'adequate' service that meets four minimum requirements:

- Calculations and transactions need to be correct – and ideally correct first time;
- HMRC needs to provide high quality information in that all of its communications (web site, letters, Notices of coding, etc.) are easily understood;
- It is easy to find the answers to queries that customers have. As customers indicated, if they could find information easily from the HMRC website they would be less likely to call the contact centre; and
- Making it easy to navigate the process, whether this is navigating through HMRC's complex web site, understanding how HMRC's processes work, or being able to link up information across channels.

B&C and PT customers also welcome an empathetic, friendly, 'chatty' and non-technical service while SMEs and Agents prefer a more professional and business-like service that is technical where required.

Speed of service is important for customers. They expect:

- Contact centres
  - Maximum wait times for an adviser – 5 minutes;
  - Provide a 'position in queue' or 'call waiting time'<sup>1</sup>;
  - Provide a call-back service for dealing with more complex enquiries;
  - Easy access to advisers with expert knowledge;
  - Free calls (mainly B&C customers)
- Post
  - Postal submissions to be acknowledged within 5 days<sup>2</sup>;

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<sup>1</sup> We recognise that there are technical difficulties in implementing this.

- Simple enquiries answered fully within 14-28 working days (Agents expected 14 days);
  - More complex enquiries answered fully within 28 working days;
  - If the enquiry is very complex, HMRC should provide a written timescale.
- Web enquiries
    - Requests for information – replies with 2 days;
    - Urgent enquiries – replies within 1-2 hours.

## 7.2 Customer requirements for a future digital service

Customers considered that HMRC should continue to focus on its digital service and that more people should be able to manage their dealings through the website.

*'I think HMRC should be moving people more to the website...but for a lot of small businesses it is not their forte so there needs to be back-up.'* (SME, Negative)

In thinking about HMRC's digital service, customers considered two aspects: online submissions and the web site.

They had little to say about online submissions other than that their experience so far – self assessment, VAT etc. - worked very well with rarely a hitch. Respondents wanted this aspect of HMRC's digital service to continue.

Turning to HMRC's website, there was almost universal negative comment from all the customer groups – one respondent noted that *'Ideally it should be completely re-written* (SME, Positive)*'*. HMRC's website was said to be very difficult to navigate and with a very poor search facility. Individual pages were said to be cluttered, with accessibility impaired by combining legal and process information.

Taking together the views of all the customer groups, a high quality digital offering should comprise the following:

- Web pages that separate out the legal and process issues, perhaps using separate tabs;
- The use of plain English;
- Shorter pages with less information and confined to single topics;
- The use of flow diagrams and process maps;
- More worked examples;
- 'How to' videos (SMEs);
- An intelligent search facility;
- A comprehensive index of topics;
- A library of forms (SMEs);
- On-line enquiry facilities that include online chat and web enquiry forms.

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<sup>2</sup> We recognise that this is not possible even with first class post. Customers thought an email or text acknowledgment would be sufficient for a postal enquiry.

Customers were keen that if on-line enquiry facilities are provided that replies are speedily dealt with, with turnaround times of 2 days for 'standard' enquiries and one to two hours for urgent enquiries. Customers however, found it difficult to determine how the distinction between standard and urgent enquiries could be made.

Finally, SMEs and agents commented that HMRC's web site would need to be kept up to date at all times.

### 7.3 Where should HMRC focus to increase its quality of service?

As discussed earlier, the key requirement for customers is that transactions should be correct. In this respect they recognised that both the customer and HMRC have a part to play – customers make errors, as does HMRC. By increasing the number of transactions that are correct, customers considered that they would spend less time in contact with HMRC. However, this required that HMRC has in place processes that ensure that calculations and transactions are 'right first time'. This is in part having systems that trap submission errors before they cause a problem and in part staff quality checks to ensure calculations are correct.

In order to help the customer better understand what they have to do and potentially reduce their error rate, customers considered that HMRC should focus on three key service delivery areas:

- providing high quality up to date information and guidance; that is
- easily understood without detailed technical knowledge<sup>3</sup>; and
- readily accessible through the website search and index functions.

Customers also thought that HMRC should focus its energies on specific aspects of their communications channels. These were:

**Figure 8. Channel-specific possibilities for quality improvements**

Contact centre	Web site	Post
Easier access to specialist expertise (SMEs and Agents)	Simplify and shorten web pages (PT, SMEs, Agents)	Reduction in the proportion of post that is said to be lost (All customer groups)
Free calls (B&C)	Easier navigation through an index and intelligent search facility (PT, SMEs, Agents)	Faster replies (All customer groups)
A reduction in call waiting times (All customer groups)	An indexed library of forms (SMEs, Agents)	Better understanding of who to reply to and the reasons why (B&C, PT, SMEs)

<sup>3</sup> Customers recognised that there are many areas of taxation that are very complex and are not readily described in lay terms. Nevertheless, with the exception of agents there was a call to provide relatively simple overviews of complex areas so that they could at least understand the concept, with detailed guidance being provided by their own agents.

Customers were asked whether they would be willing to trade any of their requirements. Without exception, customers were willing to trade call waiting and reply times for greater accuracy of calculation. However, they recognised that time taken depended on the circumstances. Some issues do not need a swift reply while others do. Ultimately, when it comes to providing correct information, decisions and calculations there was a preference for trading speed for accuracy.

## Appendix – Research Materials

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### **Methodological details**

The research was qualitative in design, adopting a series of group discussions to capture a wide set of customer experiences of dealing with HMRC, and exploring customers' views of what constitutes a quality service. The discussions were carried out by qualitative researchers who have extensive experience and have been trained in the techniques of non-directive interviewing. Each discussion was exploratory and interactive in form so that questioning could be responsive to the experiences and circumstances of the customer groups participating. The discussions were based on a topic guide, which listed the key themes and sub topics to be addressed and the specific issues for coverage within each. Although topic guides help to ensure systematic coverage of key points across the sessions, they are used flexibly to allow issues of relevance for individual respondents to be covered through detailed follow-up questioning.

All members of the research team took part in a briefing to ensure the interviewing approach was consistent across the interviews. All the group discussions were digitally recorded.

Material collected through qualitative methods is invariably rich but unstructured. The primary aim of any analytical method is to provide a means of exploring coherence and structure within a cumbersome data set whilst retaining a hold on the original accounts and observations from which it is derived. The analysis of the discussion groups was undertaken using qualitative content analysis. The analysis identified the range and nature of customer experiences, and together with insight into how they considered how to define a quality service, forms the basis of this report.

## Topic Guide

### Quality of service

Summary of overall objectives:

- Explore what quality of service means to HMRC customers;
- Understand how customer views of quality relate to the service they have received;
- Identify the specific elements of service that have the highest influence on customer's perceptions of quality and how these differ by customer group and channel of communication;
- Explore how the elements of service that drive perceptions of quality relate to the customers' rating of the service they have received, as evidenced by the Customer Survey.

### Discussion Guide

#### 1. Introduction (5 mins)

- Research being conducted for Her Majesty's Revenue and Customs (HMRC)
- Remind respondent of the aims of the research
  - Looking at the elements of service that define quality, in terms of: what makes an 'adequate' service, and what makes a 'high quality' service
- About TNS-BMRB – independent research agency
- Confidentiality / anonymity
- Following MRS guidelines
- Agreement to record the discussion
- Discussion up to 90 minutes
  
- Short, round the table introduction:
  - SMEs – sector, size
  - Agents – typical clients, size
  - Personal tax – about themselves
  - Benefits & Credits – about themselves

#### 2. Defining quality of service (20 mins)

*I want you to think about an organisation that you deal with, or have recently dealt with that is **similar to HMRC**, that gave you a 'high quality service'. This might be another government department, a bank, utility, etc....*

- What organisation are you thinking of?
  - How is it similar to HMRC?

- What was it that this organisation did / does that characterises them as giving a quality service?
  - EXPLORE – briefly - all aspects

*Thinking about the different aspects of a service given by an organisation...*

*In the next section, researcher to note down the features for an 'adequate', and 'high quality' service; each feature on a separate 'post-it'*

- What are the features that an organisation must get right in order to provide an ADEQUATE service?
- What are the features that raise an organisation from giving an ADEQUATE service to a HIGH QUALITY service?

*Note: If people struggle with thinking about a high service, prompt them to think about bad service and how it could be improved*

- *Now rank order the features within 'adequate', and 'high quality' service*
- EXPLORE reasons for the relative position of each feature of a quality service

### **3. Your experience of HMRC (40 mins)**

#### ***For everyone except Agents***

*By themselves, to think of a recent experience dealing with HMRC and to note their customer journey: - how the issue arose; how they got in contact; what happened; their rating of the quality of service; reasons for their quality rating*

- What did HMRC get right?
- What did HMRC not get right?

#### ***For everyone***

- What channels have they used: web site; contact centre; post;
- Experience and views about contact centre
  - What works well
  - What does not work well
  - How long would they expect to wait for the phone to be answered?
  - How long would they be prepared to wait?
  - What would they expect from the contact centre
- Experience and views about the digital services (e.g. web site, email, electronic submissions)
  - What works well
  - What does not work well
  - What would they expect from the digital services



- Experience and views about dealing with HMRC by post
  - What works well
  - What does not work well
  - How long would they expect to wait for a letter to be answered?
  - How long would they be prepared to wait?
  - What would they expect from dealing with HMRC by post
- Is 'correctness' an aspect of quality, or is it something else?

*Looking back at the features of quality service (section 2 – an organisation similar to HMRC)*

- Which ones relate to HMRC and are there any others?
- What features must HMRC provide for an ADEQUATE service and what features raise it to a HIGH QUALITY service?
- *Rank order along a continuum*
- Where is the line between 'ADEQUATE', and 'HIGH QUALITY' service?

*HMRC use a number of experience measures to evaluate customers' experience of dealing with them...*

- How important are these to their perception of quality?
  - Any missing?
  - Any that are different?
- *Place them on the above continuum with the features already mentioned*
- EXPLORE reasons for the relative position of each feature

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

***And for Agents only:***

How consistent HMRC are  
 Ease of getting HMRC to recognise authorisation to deal on behalf of clients

- Do the measures of customer experience (above) contribute to an ADEQUATE service or a HIGH quality service?
  - Which would make an ADEQUATE service?
  - Which would make HIGH quality service?

- In rating HMRC as ‘positive’, ‘neutral’, or ‘negative’, which of the above measures of customer experience could be ADEQUATE but still give a positive rating?
- Trading service features
  - Which service features would they be willing to trade off each other (e.g. how much longer would they be prepared to wait for a more detailed response, etc.)
  - Reasons why

#### 4. HMRC and the service it provides (10 mins)

- Compare the rank ordering of features for a HIGH quality service (from section 2 – a similar organisation to HMRC) with the rank ordering of features for a HIGH quality service provided by HMRC (from section 3)
  - What are the differences?
  - Why are there differences?
  - What can HMRC learn from other organisations (refer to section 2)?

#### 5. The future (15 mins)

*Thinking about the service HMRC might provide in future...*

- What type of service would you want HMRC to offer?
- What aspects of quality should HMRC focus on improving?
- *For dissatisfied customers:* what should HMRC focus on to provide an ADEQUATE service?
- *For satisfied customers:* what should HMRC focus on to provide a HIGH quality service?
- What role should the digital services play? *(If not already raised)*
  - Would they want a greater focus on the digital services?
  - What would a HIGH quality digital service look like (prompt for features)?
  - If digital services become more standard how would this impact on the use of other channels?

#### 6. Thank and Close

Thank participants and Close the discussion