

HM Revenue & Customs Customer Survey

2008-2013



HM Revenue and Customs Research Report 272



TNS BMRB



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Glossary

CATI – Computer Assisted Telephone Interviewing

VAT – Value Added Tax

CIS – Construction Industry Scheme

PAYE – Pay As You Earn

SA – Self Assessment

NI – National Insurance

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

SME – Small and Medium Enterprises

1 Introduction to the Customer Survey

1.1 Background

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

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

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

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

1.2 Aims and objectives

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

The specific objectives are:

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

This report aims to present the aggregated results from the quarterly survey waves in the 2012/2013 financial year for each customer group, and where appropriate make comparisons with previous years.

1.3 Research method

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

The same data collection method is used for all three: Computer Assisted Telephone Interviewing. The interview lasts around 15 to 20 minutes for each customer. In 2011 the sampling approach and questionnaires were reviewed given the need to meet 2010 Spending Review priorities, and the method was revised accordingly¹.

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

1.4 Survey timing

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

1.5 Survey structure and size

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

In 2012/2013 interviews were carried out with around 16,500 customers: approximately 7,700 individuals, 5,400 SME businesses and 3,400 agents. The

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

number of interviews reduced in 2011/2012 from approximately 24,000, in response to the recommendations of the methodological review to meet 2010 Spending Review priorities.

1.6 Reporting notes

1.6.1 Changes in sampling

In Q2 2011/2012 the sampling frames for all three customer groups were redefined. More details are in Appendix A.

Agents

Prior to Q2 2011/2012 the Agents sample was drawn entirely from the IDBR (Standard Industrial Classification (SIC) codes 69201: Accounting, and auditing activities, 69202: Bookkeeping activities or 69203: Tax consultancy). In Q2 2011/2012 the sampling frame was supplemented with an SA sample of individuals in sector codes 6201 (chartered/incorporated accountants) and 6615 (auditors, book-keepers, financial advisers and other accountants) whose revenue is below the VAT threshold.

SME

Prior to Q2 2011/2012 the survey used two sample sources: IDBR and HMRC's Self Assessment database (where at least 50% of income came from self-employment). In Q2 2011/2012 the sampling frame was supplemented with records from the National Insurance & PAYE Service (NPS). This sample includes newer businesses that are not yet covered by SA.

Individuals

Prior to 2011/2012 Personal Tax and Benefits and Credits customers were combined and reported as the Individuals customer group. From 2011/2012 the Personal Tax and Benefits and Credits groups were reported separately. There are fewer Benefits and Credits than Personal Tax customers, so from Q2 2011/2012 the survey included a boost sample. For Q2 and Q3 2011/2012 the boost used RDD sample. However, it was difficult to recruit sufficient numbers of Benefits and Credits customers. Therefore from Q4 2011/2012 to improve sample efficiency HMRC's Tax Credits customer database was used as the sampling frame.

As a result of the sampling changes the 2011/2012 customer experience results were not directly comparable with previous years of the survey as they included sub-groups not previously sampled. To enable comparisons between the old and new customer experience scores the old scores were adjusted to compensate for the likely differences caused by changes to the sample. Further details are in Appendix A. No significance testing has been performed on results that have not

been adjusted. No changes were made to survey coverage for Individuals so the 2008/2009-2010/2011 scores remain unchanged.

1.6.2 Customer experience

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

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

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

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

* New questions in 2011/2012.

§ Question wording changed slightly in 2011/2012

Customers were asked to rate their experience on each dimension using a five point scale (e.g. very good, fairly good, neither good nor poor, fairly poor or very poor). Customers could also say "don't know" or "not applicable".

Customers who said the question did not apply to them were excluded from the analysis for that measure.

1.6.3 Reputation

Every second quarter (Q2 and Q4) a module is included in the customer survey to measure HMRC's reputation among those who may or may not have had any recent direct dealings with the Department and therefore encompass a broader target population than the customer experience questions. These questions were developed to provide measures to track HMRC's reputation and to evaluate the performance of its values over time among different audiences. Measurement was integrated within the Customer Survey from 2008, although the measures were substantially changed in 2010/2011.

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

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

* New questions from 2010/2011.

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

Different answer lists were used for different questions. Most used a five point scale (e.g. very good, fairly good, neutral, fairly poor and very poor), while

others used a scale of 1 to 10 (1 being most negative, 10 being most positive). To aid comparison of different measures where questions are compared, each will be presented using the following scale:

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

1.6.4 General conventions in charts and text

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

The following conventions have been used in charts:

- Percentages for single-response questions do not always add up to exactly 100% due to the effect of rounding.
- A '*' symbol denotes a percentage of less than 0.5%
- A '-' Symbol denotes zero.
- Customers were asked to rate aspects of their experience using a five point scale (e.g. very good, fairly good, neither good nor poor, fairly poor or very poor). Customers could also say "don't know" or "not applicable".
- Charts often combine the top two points of answer scales into one measure (e.g. very good and fairly good combined to give total positive)
- Unless otherwise stated, on charts an arrow head is used to indicate statistically significant change from the previous year and a full arrow is used to indicate statistically significant change between the baseline in 2008/2009, and 2012/2013.
- Base sizes are shown on charts in brackets.
- Unless otherwise stated all changes and differences reported are statistically significant to 95% confidence level.

2 Agents

2.1 Executive summary

2.1.1 Customer Experience

Nature of dealings

- Almost all Agents (97%) had dealt with HMRC in the previous three months. Most Agents reported a variety of dealings about the tax selected for them as the focus of the interview².

Dimensions of Customer Experience

- Three quarters of Agents (77%) said their experience was very or fairly straightforward. One in six Agents (16%) gave a negative rating. Overall the expectation that dealing with HMRC would be straightforward was high (83%), and in general those expectations were met.
- Agents gave mixed ratings across all dimensions of experience. Areas of simplicity were rated highly: ease of understanding what to do (86%) and ease of completing the processes (82%). One area of responsiveness was also rated highly: how well they were treated by staff (83%).
- The remaining measure of simplicity, ease of getting in touch, was rated less well by Agents (61%). Other areas rated less well were how good HMRC was at keeping the customer informed about progress, which decreased to 53% in 2012/2013 from 63% in 2008/2009, and how good HMRC were at getting things right. This last measure recovered to 62% in 2012/2013, in line with the 2008/2009 rating, up from a low of 56% in 2010/2011.

Key Driver Analysis

Customers rate certain dimensions highly and others less well, and these ratings can indicate the areas in which improvements in service need to be made. However, resource often dictates that areas for improvement need to be prioritised. The aim of the key driver analysis was to understand the underlying drivers of ratings of straightforward³. Regression was used to derive the relative influence of each dimension of experience on the overall measure, and provide

² For respondents dealing with more than one type of tax, one was selected at random as the subject of all further customer experience questions.

³ "Straightforward" in this context refers to the single overall measure: how straightforward was your recent experience of dealing with Revenue and Customs?

insight into the precise areas that need to be prioritised for improvement in order to keep overall ratings of straightforward high.

- The key driver analysis identified five areas for improvement. Two of these were related to responsiveness and two were related to reliability and speed.
- Key areas for improvement were the ability of staff and making sure customers could get all the information they need. On both of these measures, 67% of Agents gave a positive rating in 2012/2013, which were significant improvements from 2011/2012.
- Secondary areas identified for improvement were getting things right (62%), which was a measure of reliability and speed, ease of getting in touch (61%), which was a measure of simplicity and keeping the customer informed of progress (53%), which was a measure of responsiveness. The first two measures were back up to 2008/2009 levels after a decline between 2008/2009 and 2010/2011, however the final measure had shown continuous decline between 2008/2009 and 2012/2013.
- In overview, to improve overall customer experience, a particular focus is needed on improving HMRC's responsiveness, in particular continuing to improve on providing information to customers, but also turning around the declining trend of keeping customers informed about progress. Continuing to improve the ability of staff in dealing with customers would also improve the customer experience. Construction Industry Scheme (CIS) could be a particular focus for improvement, but there is capacity to improvement across all products.

2.1.2 Reputation

- Ratings decreased on almost all fairness, favourability and trust reputation measures between 2010/2011 and 2011/2012. In 2012/2013 much of the decline was either halted or in some cases turned around.
- Of the other reputation measures, ratings for effective communication and treating customers as honest decreased between 2008/2009 and 2011/2012 but showed some improvement in 2012/2013. The only reputation measure to continuously improve over time was the rating given to HMRC protecting business information, up from 55% in 2008/2009 to 73% in 2012/2013.
- Key driver analysis was performed to derive the relative importance of each of the reputation measures on overall favourability and to find out what may help to reverse this decrease.
- Effectiveness of communication was rated highly in terms of importance but relatively low on performance, making it a primary area for improvement to improve overall favourability. Ratings for effectiveness of communication

declined between 2008/2009 (55%) and 2011/2012 (38%) and although ratings improved in 2012/2013 (46%), this was still below 2008/2009 levels.

- The secondary focuses for improvement should cover perceptions that HMRC has a good reputation, negating concerns that it is good at collecting money but not paying out and getting the benefit of the doubt if criticised. Ratings for having a good reputation returned to 2010/2011 levels in 2012/2013 (38%) after a dip in 2011/2012, while ratings for the other two measures remained consistent across the three years they were included.
- To improve overall favourability ratings among Agents a particular focus should be on improving the experience of larger Agents (1000+ clients) as smaller Agents (1-9 clients) were generally more positive.

2.2 Customer Experience

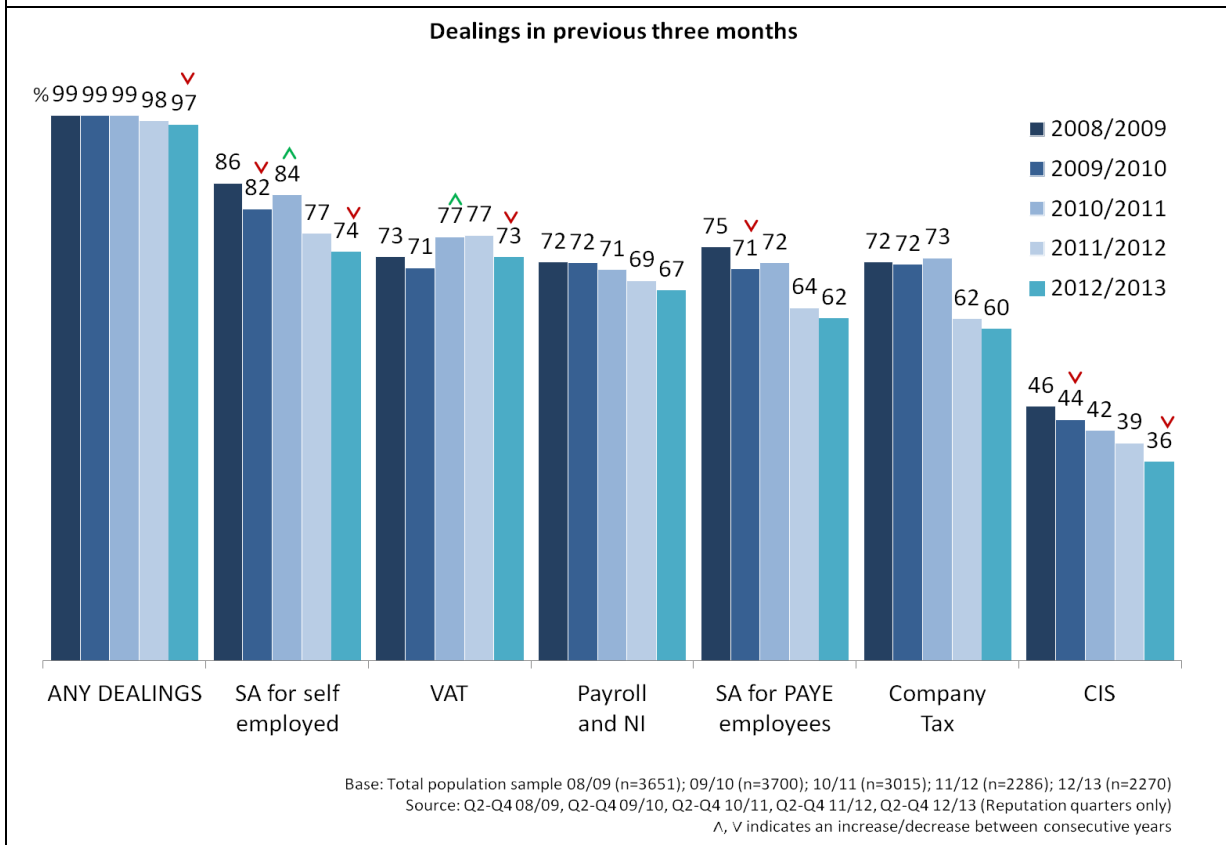
2.2.1 The nature of dealings

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

2.2.2 Taxes dealt with

Chart 2.1 shows that in 2012/2013, consistently with results since 2008/2009, almost all Agents (97%) had dealt with HMRC in the previous three months.

Chart 2.1 Products dealt with in the last three months



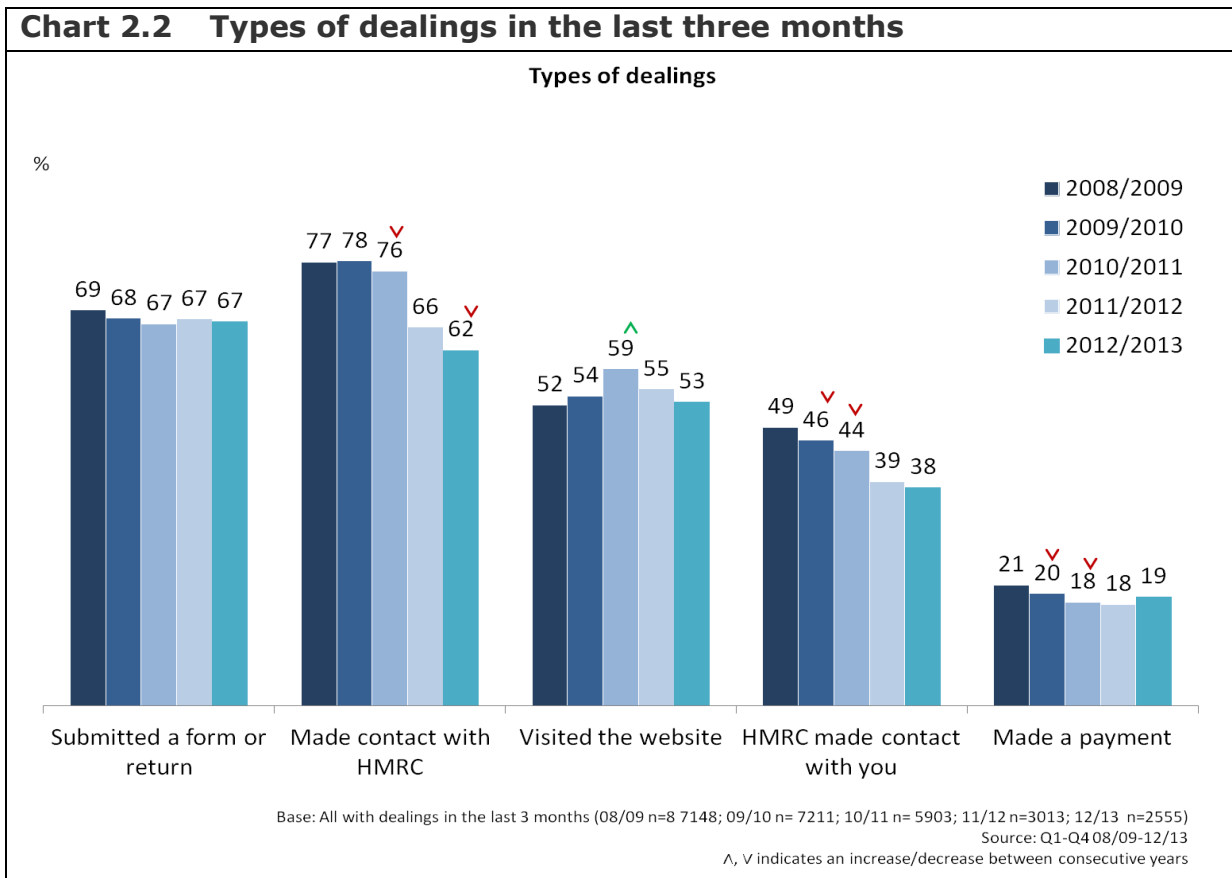
There was a change in the sampling frame in 2011/2012 to include Agents selected from HMRC’s Self Assessment database. This means results prior to 2011/2012 are not strictly comparable with those from 2011/2012 onwards and consequently tests for statistical significant differences have not been performed. Trends in the data could indicate relative change but these should be treated with caution.

Decreases in dealings with Self Assessment for the self-employed and CIS between 2011/2012 and 2012/2013 indicate this is the continuation of a trend beginning in 2008/2009. There was also a decrease in dealings with VAT between 2011/2012 and 2012/2013, although the level of dealings with VAT fluctuated in prior years so there is no overall trend apparent at this stage.

The level of dealings with Payroll and NI, SA for PAYE employees and Company Tax have remained largely consistent year on year, although the latter two products appear to have been affected by the change in sampling frame in 2011/2012.

2.2.3 Types of dealings

Most Agents who had dealt with HMRC in the previous three months reported a variety of dealings about the tax selected for them⁴ (Chart 2.2).



The most common form of dealing with HMRC was submitting a form or return, which was reported by two thirds of Agents (67%), in line with previous years. There was a decline in making contact with HMRC, from 66% in 2011/2012 to 62% in 2012/2013. This is likely to be the continuation of a longer term trend, despite the lack of direct comparability of data between 2010/2011 and 2011/2012, as there was also a decline between 2009/2010 and 2011/2012. Other forms of dealings remained at a stable level between 2011/2012 and 2012/2013.

As with the previous data, significance tests have not been carried out on against data prior to 2011/2012 due to the change in sampling frame.

⁴ For respondents dealing with more than one type of tax, one was selected at random as the subject of all further customer experience questions.

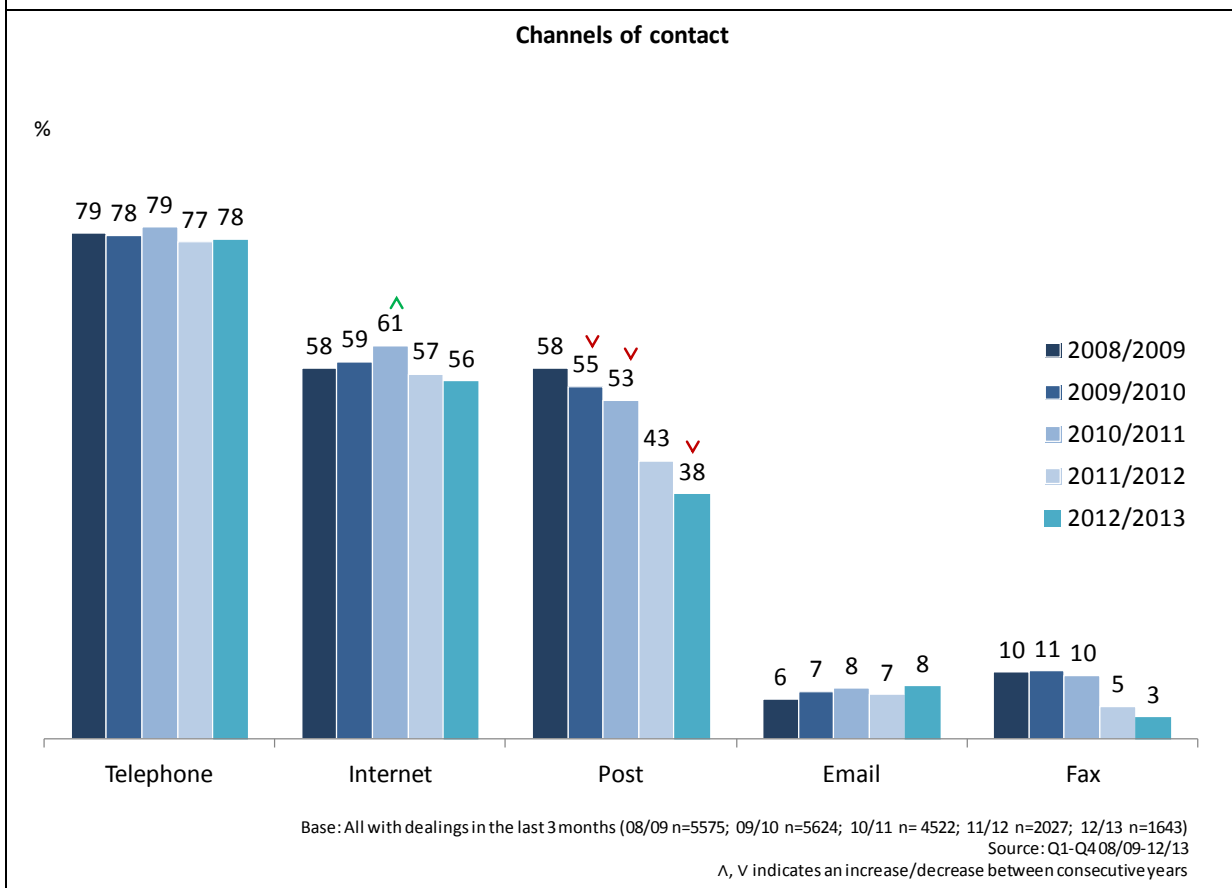
2.2.4 Channels of contact

Methods of contact can also influence the customer experience. Only those who reported *making* contact with HMRC were asked which channel they used. As reported in the section above, six in ten Agents (62%) who had dealt with HMRC in the previous three months reported contacting HMRC in the course of those dealings.

When making contact, Agents were most likely to have used the telephone (78%). Over half (56%) made contact through the website. Post as a form of contact is in decline, with 38% of Agents reporting this method in 2012/2013, compared with 43% in 2011/2012 and a trend of decline between 2008/2009 and 2010/2011. Use of email and fax was reported less frequently, with only 8% and 3% of Agents respectively using each of these to make contact with HMRC.

Due to the change to the sampling approach for Agents, tests for significant differences have not been performed against results prior to 2011/2012.

Chart 2.3 Channels of contact in the last three months

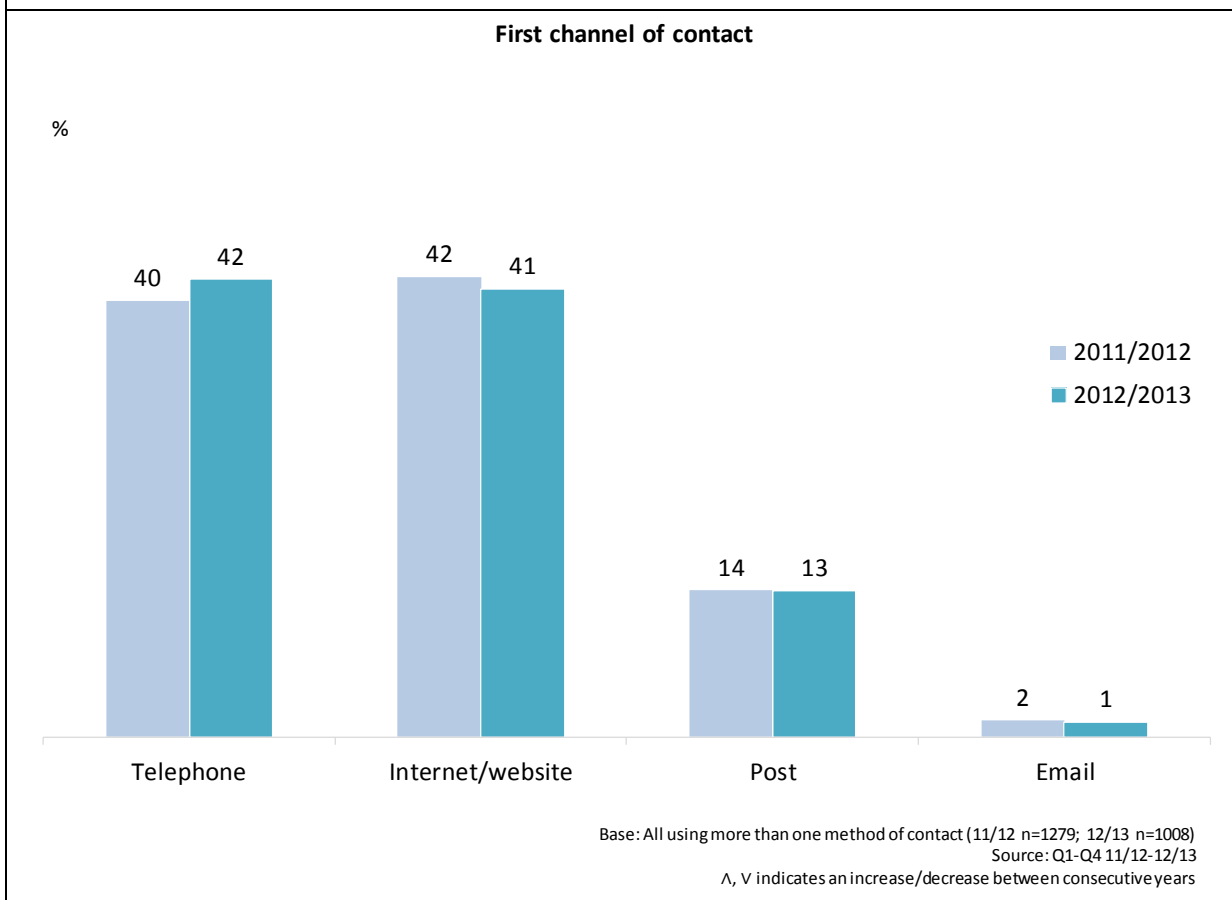


It is important to note that most customers used more than one contact method during their most recent dealings. Among Agents making contact, 60% used

more than one method. Where only one method was used, this was most likely to be the telephone (59%). One in five Agents who used only one channel used the internet (20%), and a similar proportion of single channel users used post (19%).

A series of new questions were added in 2011/2012 to put dealings in further context. Among customers who had used more than one method, the first channel of contact was most likely to be the telephone (42%) or the internet (41%), in line with 2011/2012 (Chart 2.4).

Chart 2.4 First method of contact



The reason for using an alternative channel most frequently mentioned was that they did not find or receive the information they required at the first attempt (31%). Other reasons were given at lower levels, including seeking confirmation or reassurance (15%), being directed to use a different method (11%), using the internet only to get information before using the main method (11%) and being unable to make contact using the first method (9%). Two thirds of those using more than one method to make contact (65%) said that the number of times they were in contact with HMRC was acceptable, which had not changed since 2011/2012 (64%).

2.2.5 Overall ratings of customer experience

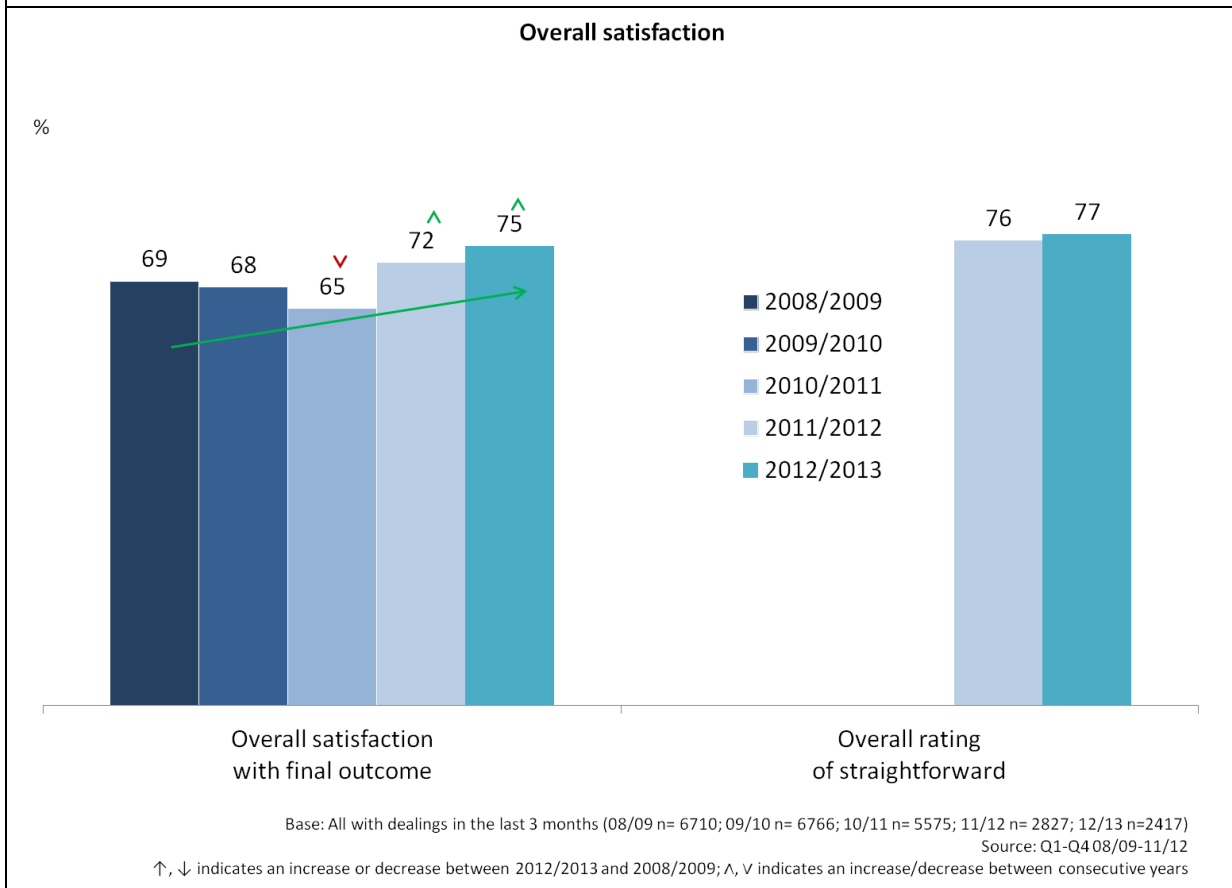
Overall ratings of the customer experience can be strongly influenced by two factors: satisfaction with the outcome, and prior expectations. For example, if two customers receive the same level of service, but one gains financially and the other loses, then the customer who gains financially is likely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

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

Prior to Q4 2010/2011 rather than rate how straightforward their dealing was, customers were asked to rate their overall experience, so the 2011/2012 measure of straightforward forms a new baseline.

Three quarters of Agents (77%) said their experience was very or fairly straightforward, in line with that reported in 2011/2012 (Chart 2.5). One in six (16%) gave a negative rating. Satisfaction with the final outcome of the dealing was rated as highly as overall straightforwardness, with 75% of Agents very or fairly satisfied. Following a decrease in 2010/2011, satisfaction with the final outcome increased each year between 2010/2011 and 2012/2013, which contributed to the overall rise from the baseline figure of 69% in 2008/2009.

Chart 2.5 Overall ratings of customer experience

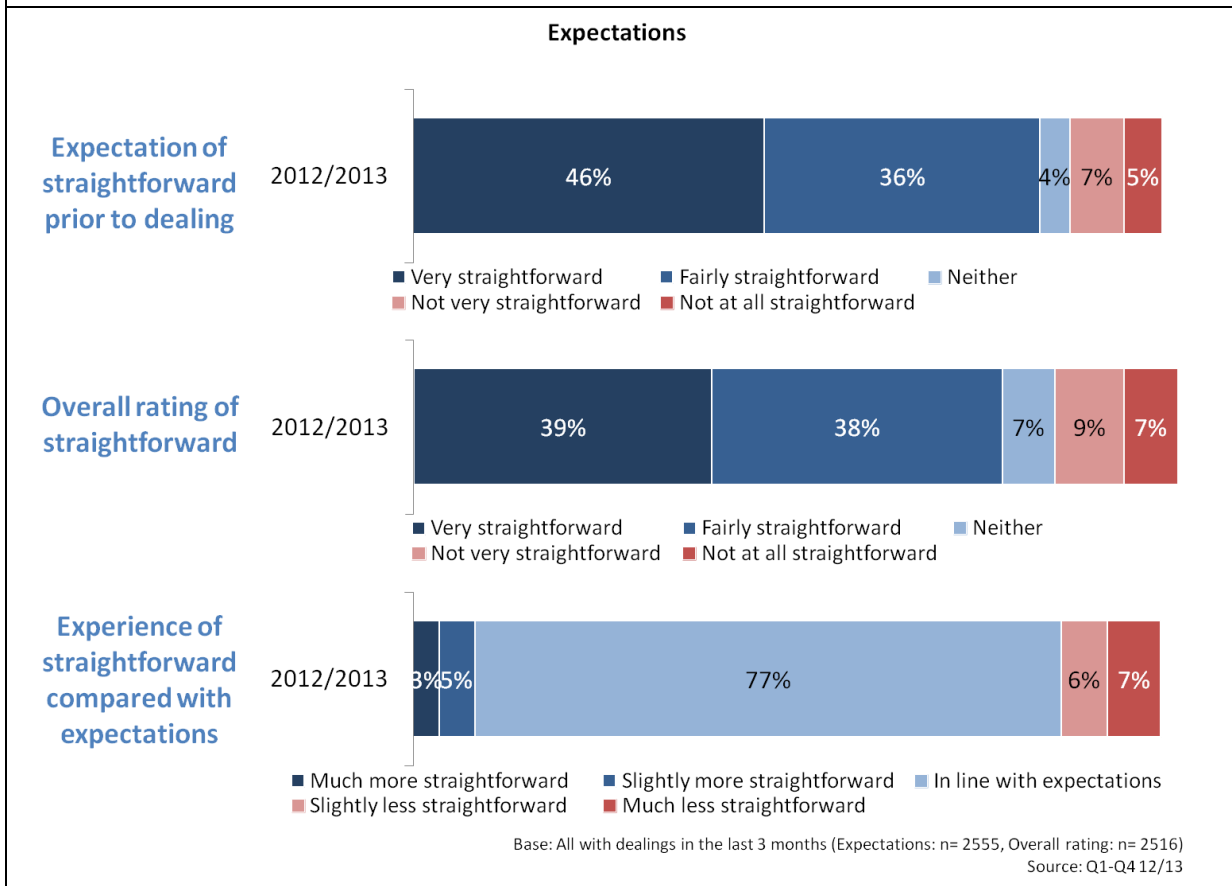


Ratings of straightforwardness given for each product were generally in line with ratings overall, with the exception of two. Dealings with CIS were rated lower by Agents (67%) while dealings with VAT were rated higher (84%). Neither of these changed significantly from 2011/2012. In 2011/2012, dealings with company tax were rated lower by Agents (66%), although this increased to 76% in 2012/2013, to be in line with ratings overall.

A new question was added to the survey in Q2 2011/2012 asking customers to state what their expectation of straightforwardness was before their dealings began (this question was asked before the more detailed experience questions). In a continuation of the previous line of questioning, customers were also asked whether their experience was more or less straightforward or in line with expectations, but the response scale changed from a three-point to a five-point scale.

Chart 2.6 shows both of these measures alongside the overall rating of straightforward for 2012/2013. Findings are in line with those reported in 2011/2012.

Chart 2.6 Expectation and experience of straightforwardness



Eight in ten Agents (83%) had expected, before their dealing, that it would be very or fairly straightforward, just slightly higher than the proportion that went on to report that their dealing was straightforward (77%). Three in four Agents (77%) said that their experience was in line with their expectation of how straightforward it would be, with slightly more Agents rating it as less straightforward than expected (13%) than more straightforward (9%).

There was a strong relationship between the rating of straightforwardness against expectations and overall rating of straightforwardness. Among Agents who rated their experience very or fairly straightforward, one in ten (11%) thought that experience was more straightforward than expected, compared with only two per cent among those who rated their experience neutrally or not straightforward. Of those who rated overall straightforward neutrally or negatively, 40% said it was less straightforward than expected.

2.2.6 Dimensions of customer experience

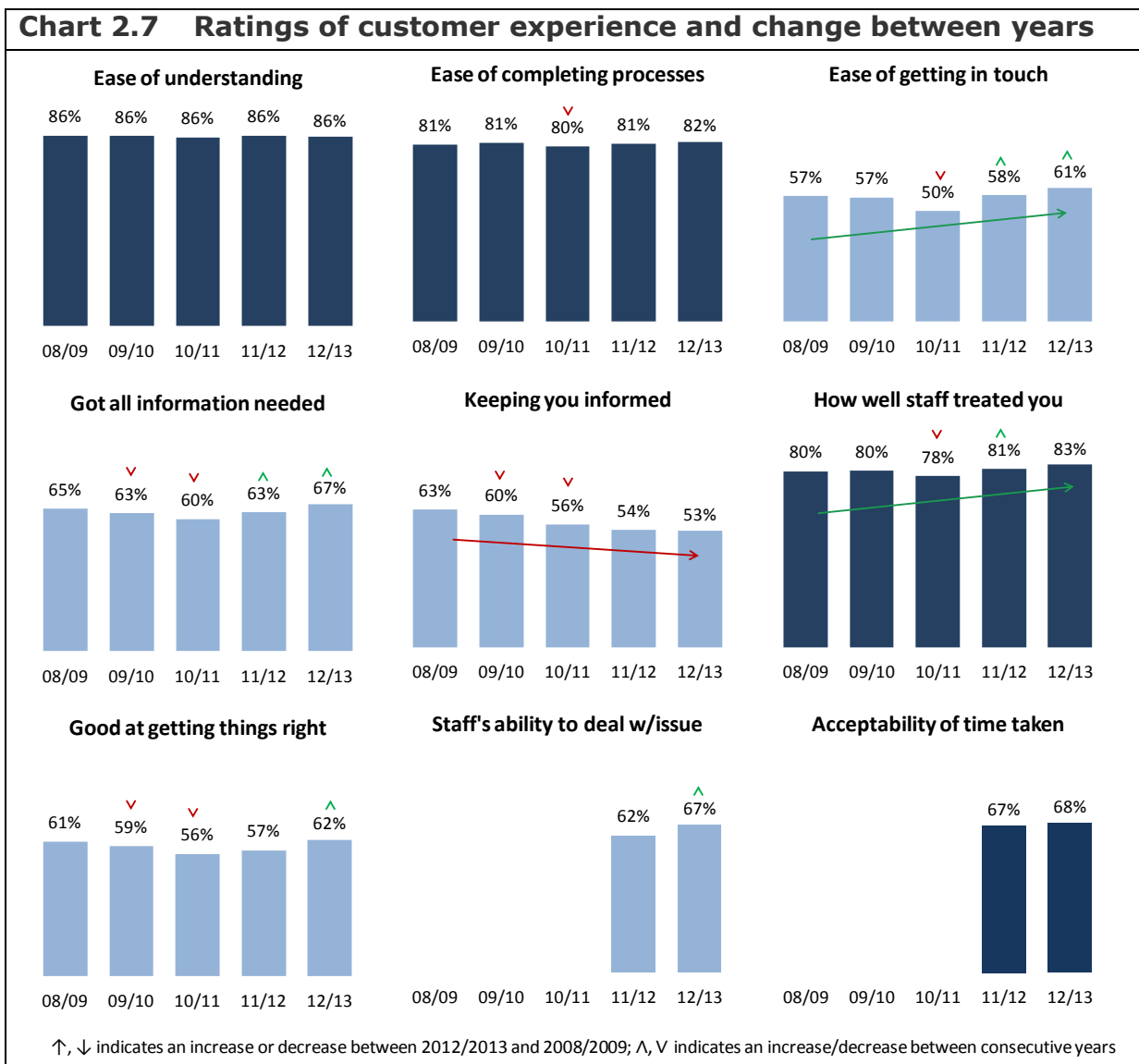
Whilst the overall ratings of customer experience give a general picture, it is essential to look in more detail at particular dimensions of the experience in order to ascertain what may be driving customer ratings and to identify key

areas for action. The dimensions of customer experience were introduced in section 1.6.2.

2.2.7 Relative ratings of experience and changes over time

Chart 2.7 gives an overview of the relative ratings of the nine dimensions of experience and changes between the 2008/2009 baseline and 2012/2013.

The arrows show where there has been a significant change in performance from 2008/2009 to 2012/2013 and the arrow heads show where there was a significant change in the measure from the previous year. Additionally, the colour coding shows relative levels of positive scores (very or fairly good etc.) where darker shading represents a 2012/2013 score equal to or above the median of the key drivers (more in section 2.2.8) whereas lighter shading represents a score below the median.

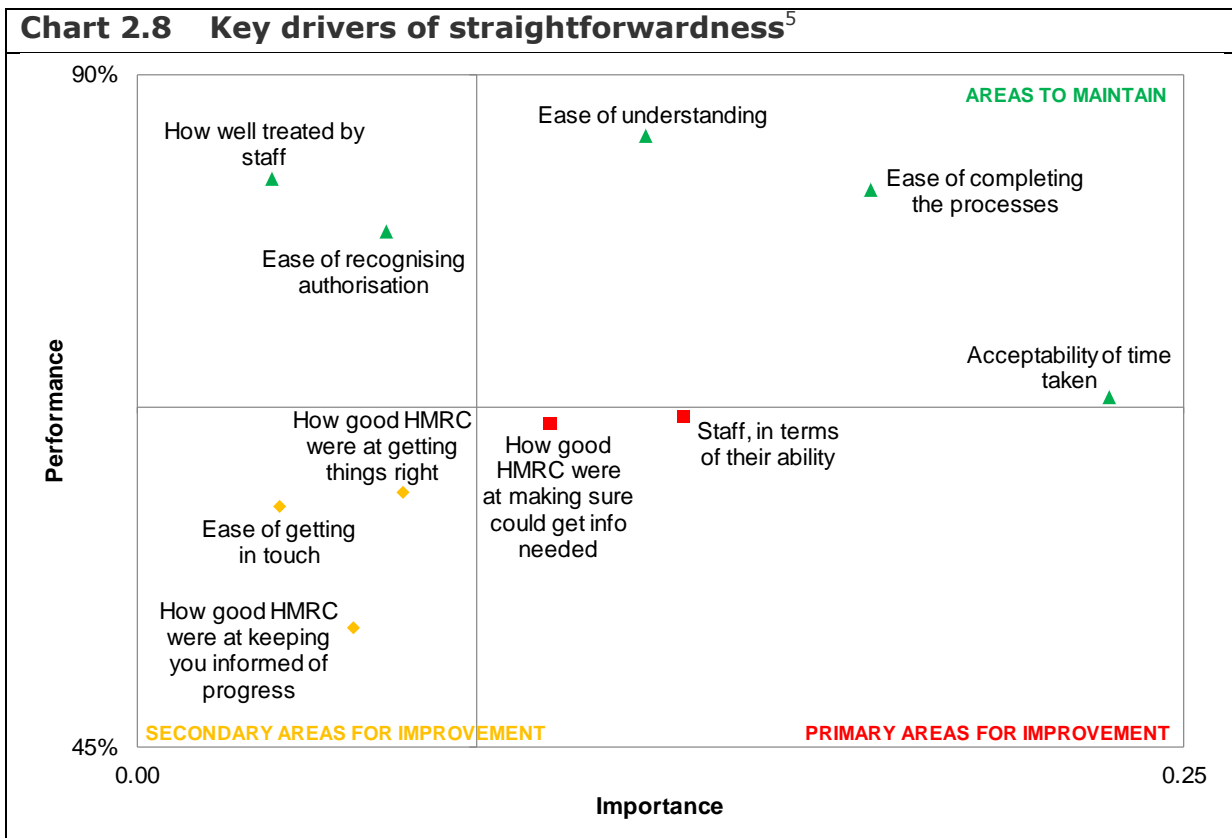


This chart shows that Agents were most positive about understanding what they had to do, how well they were treated by staff and the ease of completing processes, all of which remained at a level consistent with the previous year. The lowest rating was given for being kept informed about progress, with this decreasing from 63% at the baseline to 53% in 2012/2013.

More detailed findings for the different dimensions are discussed in sections 2.2.9 to 2.2.11.

2.2.8 Customer experience key driver analysis

Key driver analysis (KDA) was carried out using multivariate analysis of the overall rating of straightforwardness. The final analysis plots importance against performance in a quadrant diagram (Chart 2.8) with relative importance in driving the overall straightforward rating on the horizontal axis and performance on the vertical axis. A more detailed description of the key driver analysis is in Appendix A.



Square markers are used in the bottom right quadrant to signify primary areas for improvement, diamond markers for secondary areas for improvement in the

⁵ R² is 0.62 meaning that 62% of the variance can be accounted for in the model.

bottom left and triangle markers for areas to maintain in the top right and to a lesser extent in the top left. Primary areas for improvement have a stronger influence on the overall rating of straightforward than secondary areas.

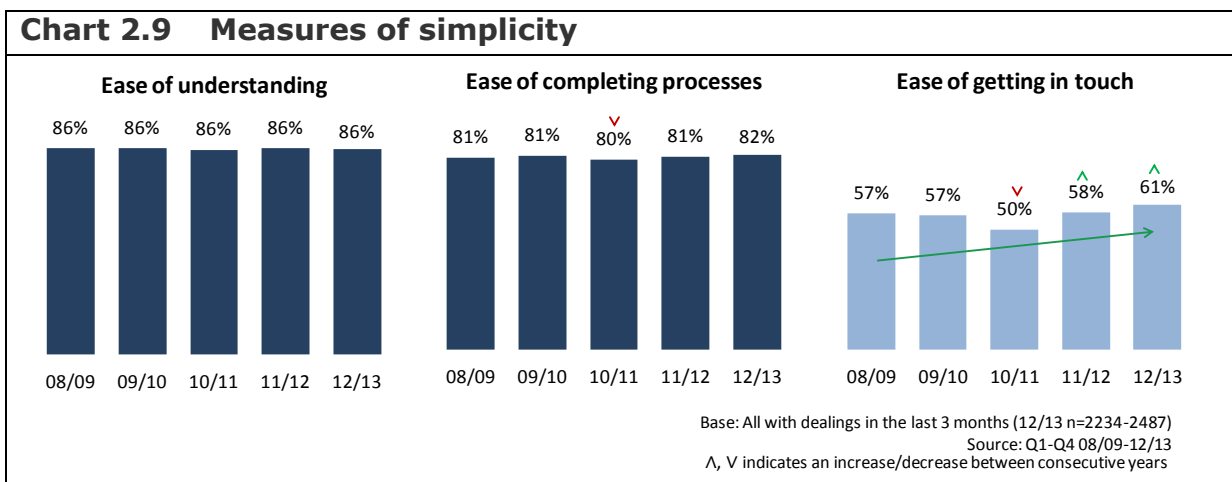
Performance scores were high in some areas that had a high influence on the overall rating of straightforward: acceptability of the time taken to reach a final outcome, ease of completing the processes and ease of understanding what to do. These areas need to be maintained to keep the overall straightforward rating high. There were two areas identified as key areas for improvement due to their relatively prominent level of importance and lower performance rating: making sure customers could get all the information they need, and staff in terms of their ability to deal with the issue.

Three further areas were identified as secondary areas for improvement. These areas, which were rated slightly lower both in terms of importance and performance, are how good HMRC are at getting things right, ease of getting in touch and keeping the customer informed about progress.

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

2.2.9 Simplicity

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



More than eight in ten Agents felt that it was easy to understand what they needed to do (86%), and that it was easy to complete the processes (82%)

related to their dealings. Both measures had remained relatively stable across the four years of the survey, with only marginal differences, if any, occurring between years. Both were identified as strong areas of performance to maintain in the key driver analysis.

In contrast, perceived ease of getting in touch declined from 57% in 2008/2009 to 50% in 2010/2011, but then recovered to 61% in 2012/2013. The ability to get in touch with HMRC was identified in the key driver analysis as an area to improve upon of secondary importance.

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

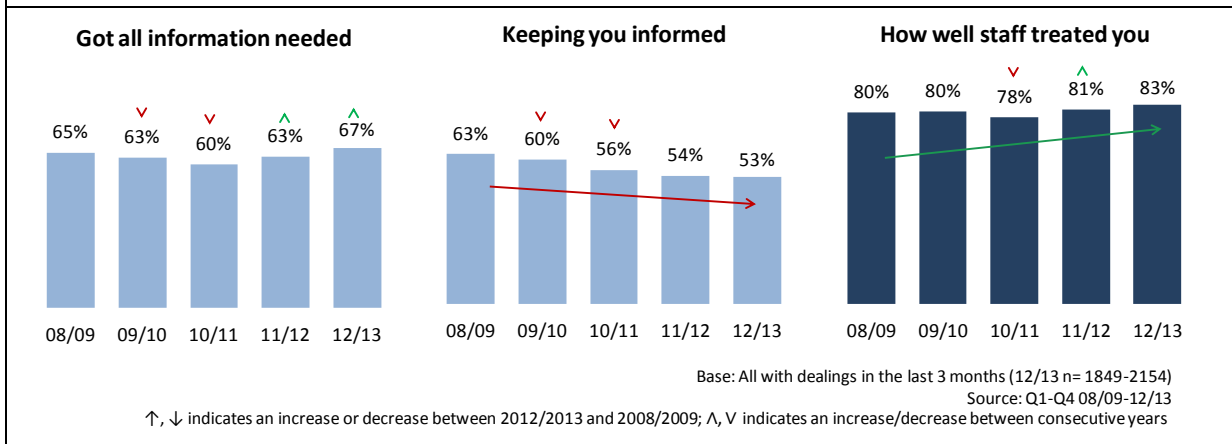
Ease of getting in touch was rated higher by those dealing with Self Assessment for the self-employed than other products and this has increased over the last two years (68% in 2012/2013, up from 55% in 2010/2011). Dealing with payroll and national insurance was rated significantly lower than average (51%). This rating decreased between 2008/2009 and 2010/2011 (from 59% to 52%) and, unlike for other products, has not recovered since then.

There was a relationship between the number of channels of contact an Agent had used and how positively they rated ease of getting in touch. Those using just one channel of contact were more positive (66%) than those using three or more channels (51%).

2.2.10 Responsiveness

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

Chart 2.10 Measures of responsiveness



Getting the information you need was identified as a key area for improvement in the key driver analysis. Keeping the customer informed was identified as a secondary area for improvement, and ratings for this had decreased since 2008/2009.

Ratings for how good HMRC were at making sure the customer could get all the information needed declined each year between 2008/2009 and 2010/2011, but then recovered in the following two years, so the 2012/2013 rating (67%) was very similar to that at the baseline (65%). This recovery was apparent across a number of products, but in particular ratings for VAT increased from 69% in 2011/2012 (and in all prior years) to 77% in 2012/2013. In contrast, ratings for the Construction Industry Scheme declined from 69% in 2008/2009 to 56% in 2012/2013.

To understand the results further we can again look at whether ratings differ for different sub-groups. Those who had been dealing with HMRC for longer were less positive about being able to get all the information they needed (62% of those who had been dealing with HMRC for at least 20 years, compared with 75% of those who had been dealing with HMRC for less than five years), as were those who represented more clients (55% of those with 1000+ clients, compared with 82% of those with less than ten clients). Agents who used at least three channels of contact (54%) and those who had contacted HMRC by post (51%) were also less positive.

How good HMRC was at keeping the customer informed about progress was rated highly by just over half of Agents in 2012/2013 (53%), which had decreased steadily from 63% in 2008/2009.

The decrease was reflected in dealings with a few products: company tax (57% down from 70% in 2008/2009), payroll and national insurance (48% down from 63% in 2008/2009) and CIS (40% down from 67% in 2008/2009). VAT

remained the highest rated product to deal with in 2012/2013 (63%) in terms of being informed about progress.

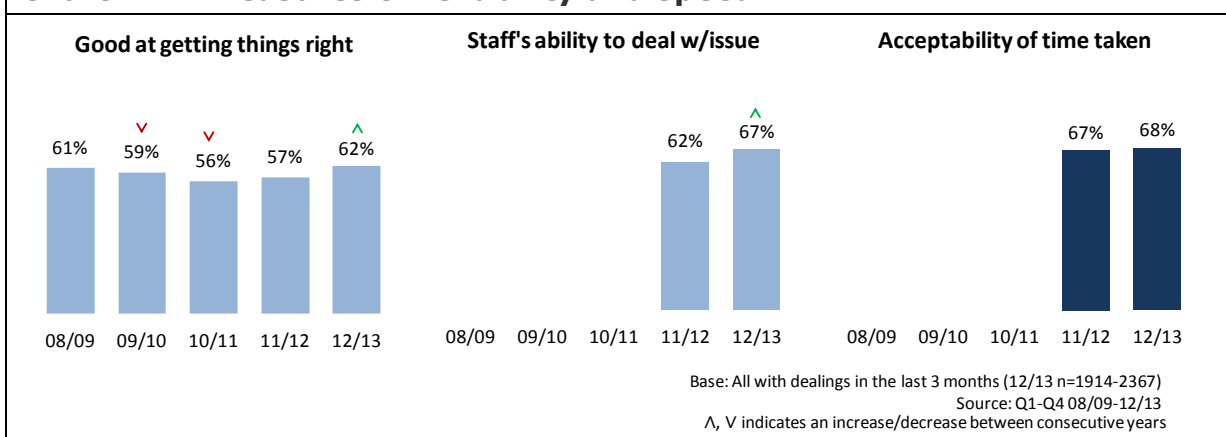
Agents whose dealings involved making contact with HMRC were less likely to rate being kept informed positively (46%), in particular those who made contact by post (39%) and those whose dealings involved at least three channels of contact (39%).

The final measure of responsiveness, how well HMRC staff treated the customer, was one of the dimensions rated relatively highly by Agents (83%), which has increased marginally since 2008/2009 (80%). The increase was reflected in dealing with Self Assessment for PAYE employees (87%, up from 78% in 2008/2009).

2.2.11 Reliability and Speed

Ratings of reliability and speed included how good HMRC were at getting things right, how well staff were able to deal with the issues and the acceptability of the time taken to reach a final outcome. The measures for both staff's ability to deal with the issue and the acceptability of time taken were added to the survey in 2011/2012. The ability of staff to deal with customer issues was identified as a key area to improve in the key driver analysis and acceptability of the time taken was identified as the most important driver of straightforwardness and one that needed to be maintained (although there is some room to improve this measure). How good HMRC are at getting things right was identified as a secondary area for improvement.

Chart 2.11 Measures of reliability and speed



Ratings Agents gave for how good HMRC were at getting things right decreased between 2008/2009 and 2010/2011, but recovered to baseline levels in 2012/2013 (62%). However, this was still identified as a secondary area to improve performance. The recovery was driven by a recovery in ratings for

dealings with company tax. Dealings with VAT were rated more highly than average (71%), while dealings with payroll and NI were rated lower than average (56%).

Smaller agents (69% of sole traders), those with fewer clients (77% of those with less than 10 clients) and those who had been trading for a shorter amount of time (69% of those who had been trading for less than five years) rated HMRC more positively for getting things right. Those who had made contact by post were less positive (49%).

Staff's ability to deal with the issue was rated positively by 67% of Agents, up from 62% in 2011/2012 when the rating in this area was first introduced. Ratings for company tax, SA for the self employed and SA for PAYE all increased in this period, with ratings for dealings with other products remaining constant year on year.

Acceptability of time taken to reach a final outcome was rated positively by 68% of Agents, in line with 2011/2012.

This first of these measures was identified as a primary area to improve in the key driver analysis, while the second was identified as an area to maintain (albeit one with some scope to improve).

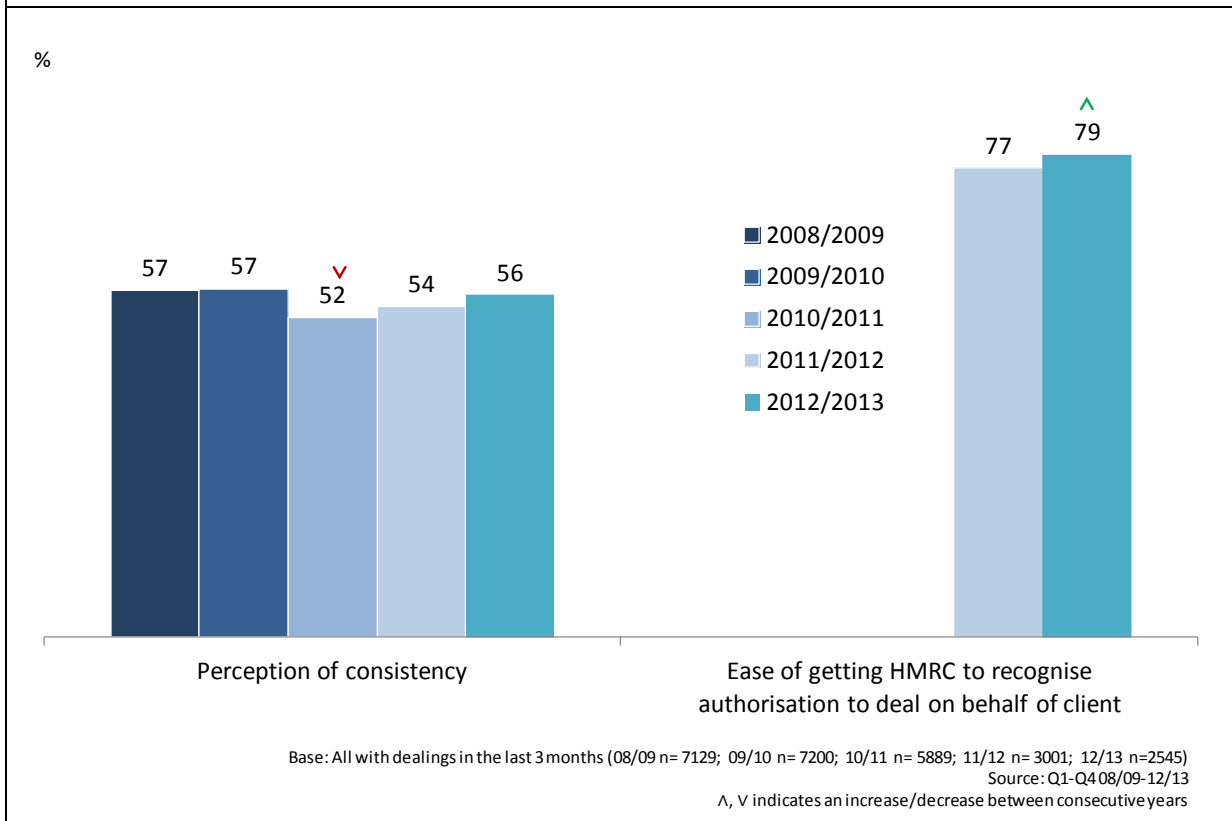
Agents dealing with VAT rated the staff's ability more highly (73%), while those dealing with CIS were less positive (53%). Sole traders (75%) and those with fewer clients (77% of those with less than 50 clients) were also more positive. Those who made contact by post gave lower ratings in terms of the staff's ability (53%).

Ratings for the acceptability of time taken were also higher for those dealing with VAT (77%) and lower for those dealing with CIS (57%). As with the previous measure, sole traders (76%) and those with less than 50 clients (78%) were more positive, while those making contact by post (47%), as well as those using at least three channels of contact (48%) gave lower ratings.

2.2.12 Agent specific measures

Two further measures of customer experience were asked only of Agents. They were the perceived consistency of HMRC and the ease of getting HMRC to recognise an authorisation to deal on behalf of a client (Chart 2.12). The latter was a new measure in 2011/2012.

Chart 2.12 Agent specific measures



Ratings Agents gave for the consistency of HMRC’s customer service decreased between 2008/2009 and 2010/2011 but returned to baseline levels in 2012/2013 (56%). The decrease, which occurred between 2009/2010 and 2010/2011 was not attributable to any sub-group or product in particular. Likewise, the recovery has not been driven by any particular product. However, perceived consistency was rated less highly among Agents dealing with company tax (50%).

Eight in ten Agents (79%) rated the ease of getting HMRC to recognise their authorisation to deal of behalf of their client positively. This was an increase from 2011/2012 and was driven by an increase in positive ratings for dealings with company tax.

2.3 Reputation

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

These questions were developed to provide measures to track HMRC’s reputation and to evaluate the performance of its values over time among different

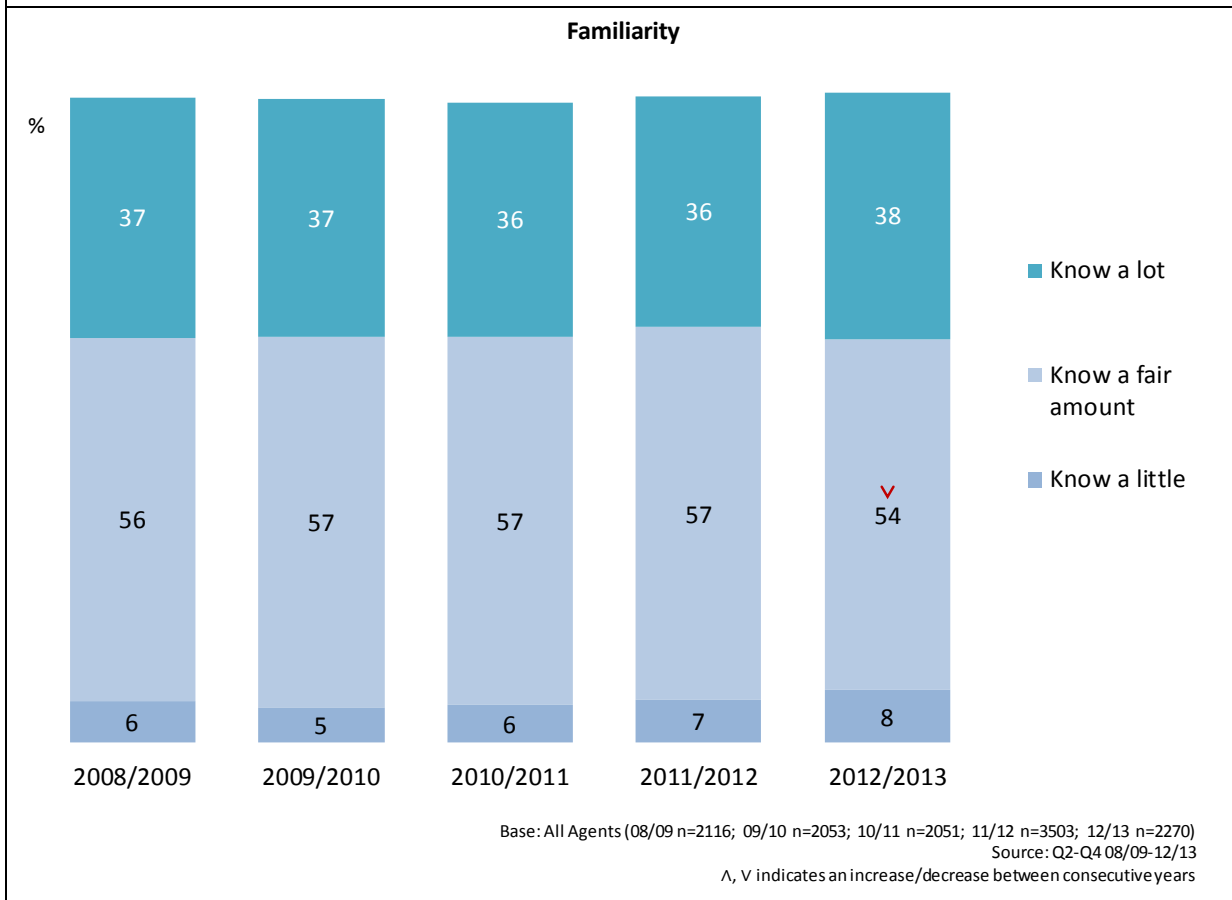
audiences. Questions about reputation were asked of a representative sample of customers and not just those who had dealt with HMRC in the previous three months. This means that questions about reputation are not linked to any specific dealings but to customers' general perceptions.

Measurement was integrated within the Customer Survey from 2008, although the measures were substantially changed in 2010/2011. This chapter focuses on the findings from 2012/2013, and draws on any significant changes from 2010/2011 (or 2008/2009 where measures have remained unchanged).

2.3.1 Familiarity

It is important to establish familiarity (in conjunction with frequency of dealing with HMRC) to help determine the extent to which opinions of HMRC are likely to be based on experience or other influences such as word of mouth or the media. As Chart 2.13 shows, all Agents felt they knew at least a little about HMRC and the number who felt they knew at least a fair amount remained at the same high level between 2008/2009 and 2012/2013 (91%).

Chart 2.13 Familiarity



These relatively high levels of familiarity correspond with the level of recent dealings reported in section 2.2.1, where 97% of Agents had dealt with HMRC in the previous three months.

2.3.2 Measures of reputation

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

2.3.3 Relative ratings of reputation and changes over time

Chart 2.14 gives an overview of the relative ratings of the reputation measures that make up elements of HMRC’s reputation (fairness, favourability and trust), and changes between the baseline and 2012/2013.

The arrows show where there has been a significant change in performance from 2008/2009 (or 2010/2011 in the case of measures added in 2010) to 2012/2013 and the arrow heads show where there was a significant change in the measure from the previous year. Additionally, the colour coding shows relative levels of

positive scores (very or fairly good etc.) where darker shading represents a 2012/2013 score equal to or above the median score of the key drivers (section 2.3.4), whereas lighter shading represents a score below the median.

Chart 2.14 Ratings of reputation measures and change between years

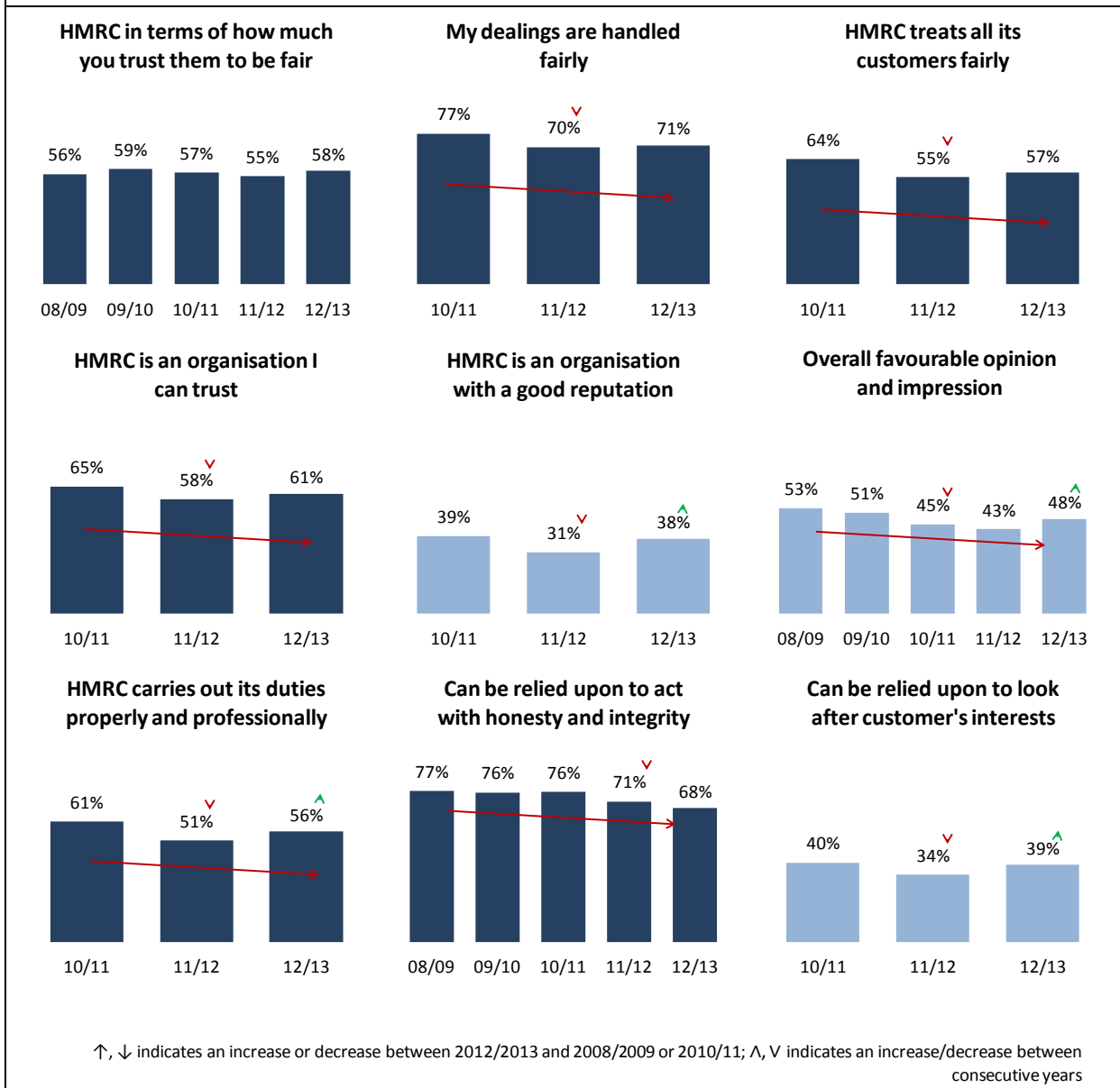
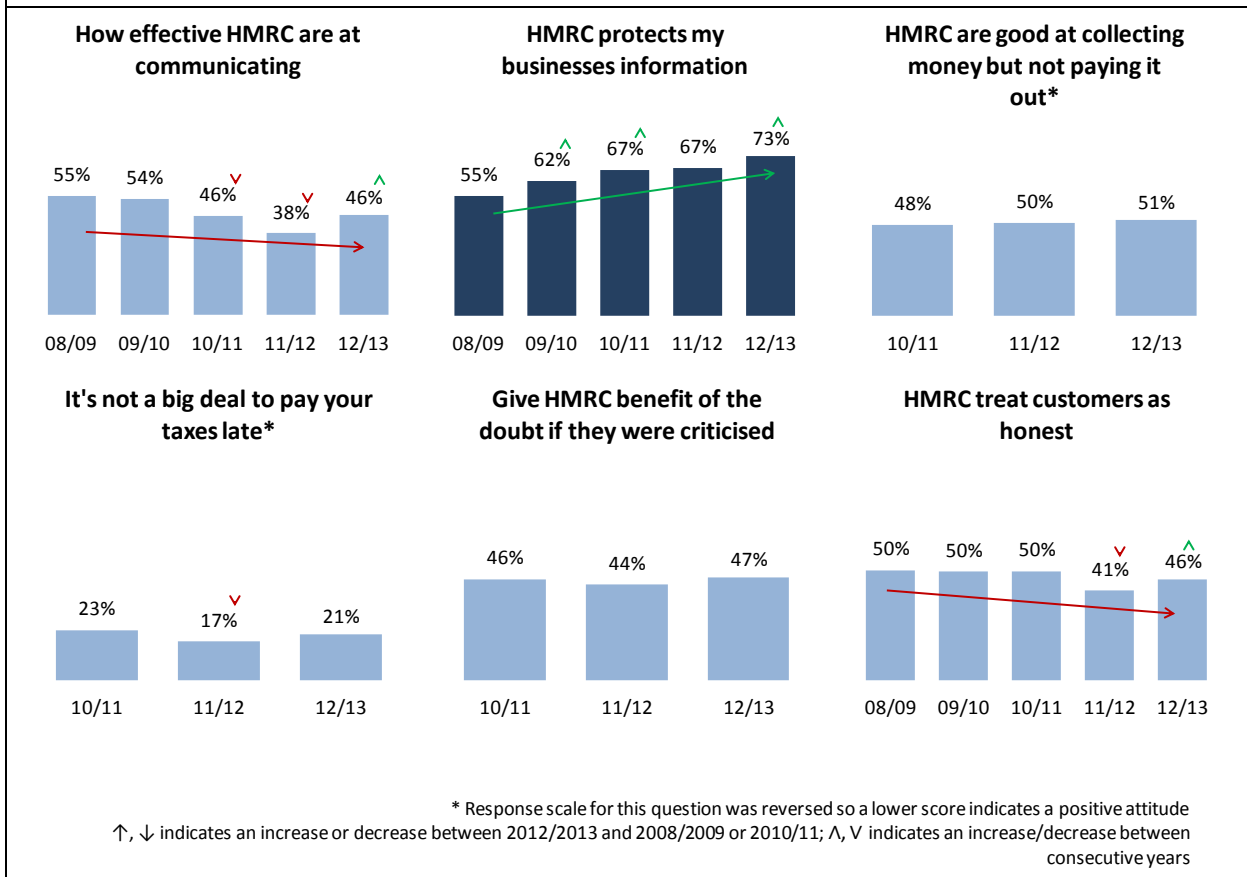


Chart 2.15 gives an overview of the relative ratings of the remaining reputation measures (communications, stories, support, compliance and other).

Chart 2.15 Ratings of other reputation measures and change between years

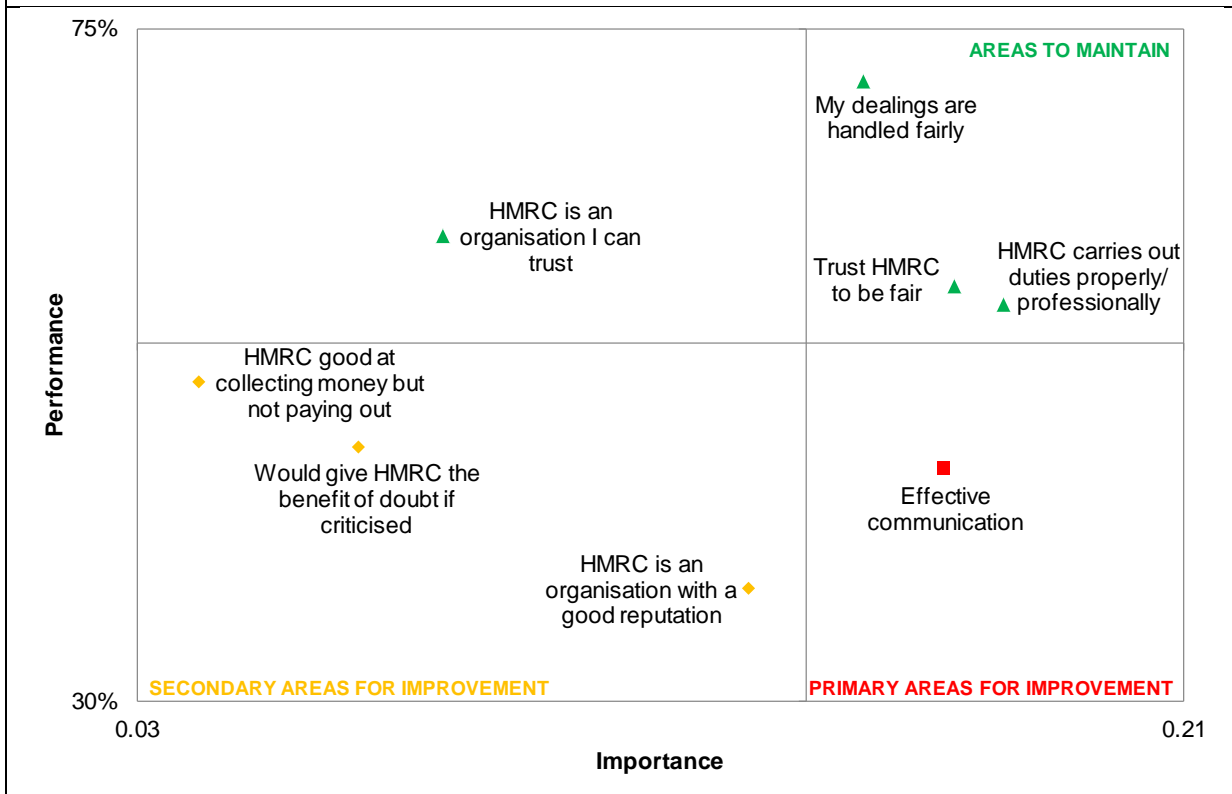


The charts show that Agents views were mixed across all reputation measures, and there were a number of decreases. The only long term increase was in the rating given to HMRC protects my business information, although other measures have improved between 2011/2012 and 2012/2013. In fact all significant changes between 2012/2013 and 2011/2012 were in a positive direction. More detailed findings for the different dimensions are discussed in sections 2.3.5 to 2.3.9.

2.3.4 Reputation key driver analysis

Key driver analysis was carried out using multivariate analysis of an overall measure (favourability). The final analysis plots importance against performance in a quadrant diagram with relative importance in driving favourability on the horizontal axis and performance on the vertical axis (Chart 2.16). A more detailed description of key driver analysis is in Appendix A.

Chart 2.16 Key drivers of overall favourability⁶



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

Effective communication was rated highly in terms of importance but relatively low on performance, so this is a primary area for improvement. The secondary focus for improvement should cover perceptions that HMRC are good at collecting money but not paying out, getting the benefit of the doubt if criticised and overall reputation of the organisation.

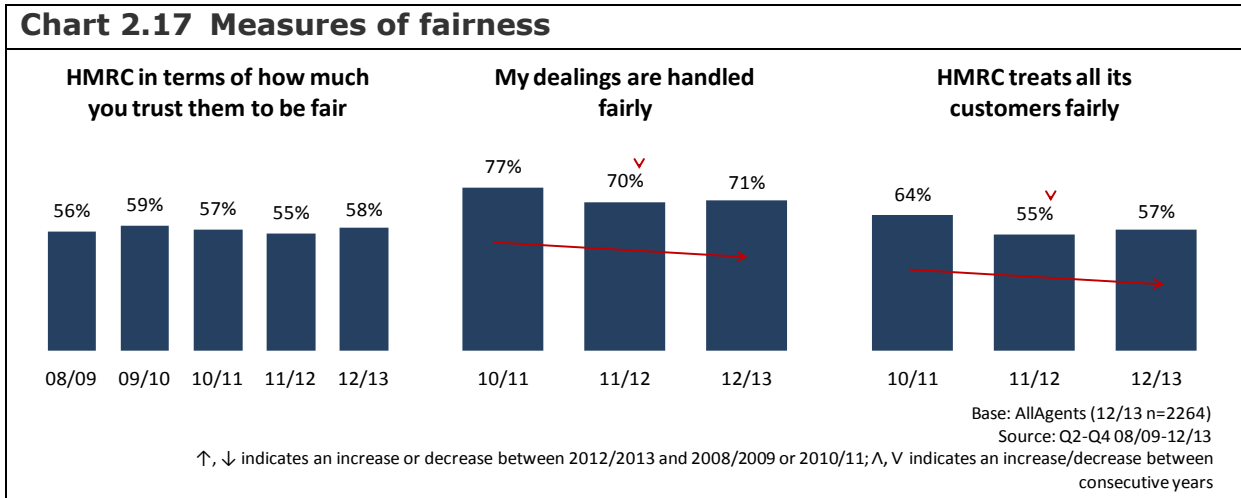
Areas that are rated highly and are important to overall favourability are handling dealings fairly, trusting HMRC to be fair and that HMRC carries out its duties properly and professionally. These should all be maintained.

2.3.5 Fairness

Fairness includes three measures; the level of trust in HMRC to be fair, the extent to which customer dealings are handled fairly and the extent to which

⁶ R² is 0.52 meaning that 52% of the variance can be accounted for in the model.

HMRC treats all its customers fairly. Ratings for the latter two measures have decreased since they were first introduced in 2010/2011.



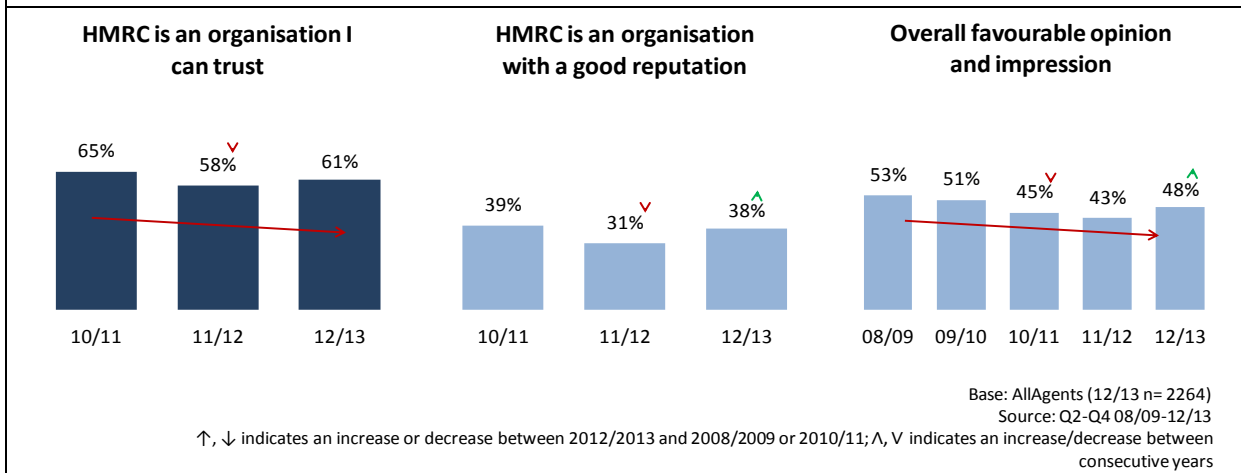
The first of the fairness measures, trusting HMRC to be fair, was identified as one of the most important drivers of favourability, and as it is performing relatively well is an area that should be maintained, although there is scope for improvement. It was the only fairness measure to have been asked since 2008/2009 and in that time ratings have remained at a similar level (58%).

The perception that their dealings are handled fairly by HMRC was rated positively by seven in ten Agents (71%), although this had decreased since the question was introduced in 2010/2011 (77%). Agents were less likely to agree that HMRC treats all its customers fairly (57%), and this had also decreased since 2010/2011 (64%). On both of these measures, the decreases occurred between 2010/2011 and 2011/2012 and were evident across all types of Agents. There was no further decrease in 2012/2013.

2.3.6 Favourability

Favourability includes three measures; HMRC is an organisation I can trust, HMRC is an organisation with a good reputation and overall favourability of opinion and impression. Until 2011/2012, positive ratings in all three measures had been declining, although there are signs of improvement in 2012/2013. The key driver analysis identified HMRC as an organisation with a good reputation as a secondary area to improve.

Chart 2.18 Measures of favourability



The perception that HMRC is an organisation that can be trusted was rated positively by six in ten Agents (61%). This was a decrease from 2010/2011 (65%), although the decline occurred between 2010/2011 and 2011/2012, with no further reduction in 2012/2013.

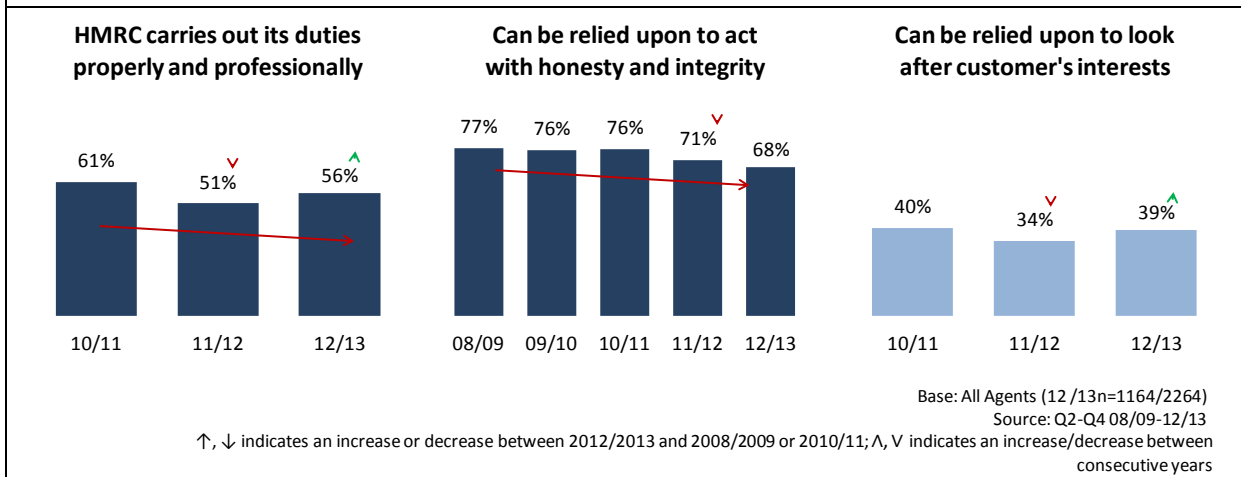
Agents were relatively unlikely to rate HMRC as an organisation with a good reputation positively (38%), although this was back up to 2010/2011 levels after a decline in 2011/2012. In the key driver analysis, this was identified as an area of secondary focus for improvement. Smaller Agents tended to rate HMRC as an organisation with a good reputation more positively (47% of those with less than ten clients, falling to 28% of those with over 1000 clients).

Overall favourability was the only favourability measure to have been asked since 2008/2009. Ratings on this measure declined steadily between 2008/2009 (53%) and 2011/2012 (43%) but improved in 2012/2013 (48%). This is however still below the baseline level. As with the previous measure, smaller Agents gave more positive ratings for overall favourability (67% of those with less than ten clients, falling to 37% of those with over 1000 clients).

2.3.7 Trust

Trust includes three measures; HMRC can be relied upon to carry out its duties properly and professionally, HMRC can be relied upon to act with honesty and integrity and HMRC can be relied upon to look after customer's interests (Chart 2.19).

Chart 2.19 Measures of trust



Ratings for all three trust measures decreased between 2010/2011 and 2011/2012. There was some recovery in ratings for the two new measures of trust in 2012/2013 while the downward trend continued for the longer term measure that HMRC can be relied upon to act with honesty and integrity.

Ratings for how well HMRC carries out its duties properly and professionally decreased from 61% in 2010/2011 to 51% in 2011/2012. There was some improvement in 2012/2013 (to 56%), although this was still below 2010/2011 levels. In the key driver analysis, this was identified as an area to maintain, so it is important that ratings do not decline further. Smaller agents gave more positive ratings in this area (72% of Agents with fewer than ten clients, falling to 46% of Agents with more than 1,000 clients).

Ratings for how well HMRC can be relied on to act with honesty and integrity decreased from 77% in 2008/2009 to 68% in 2012/2013. Sole traders (73%), book keeping firms (76%) and those with fewer than ten clients (78%) were the most positive in this area.

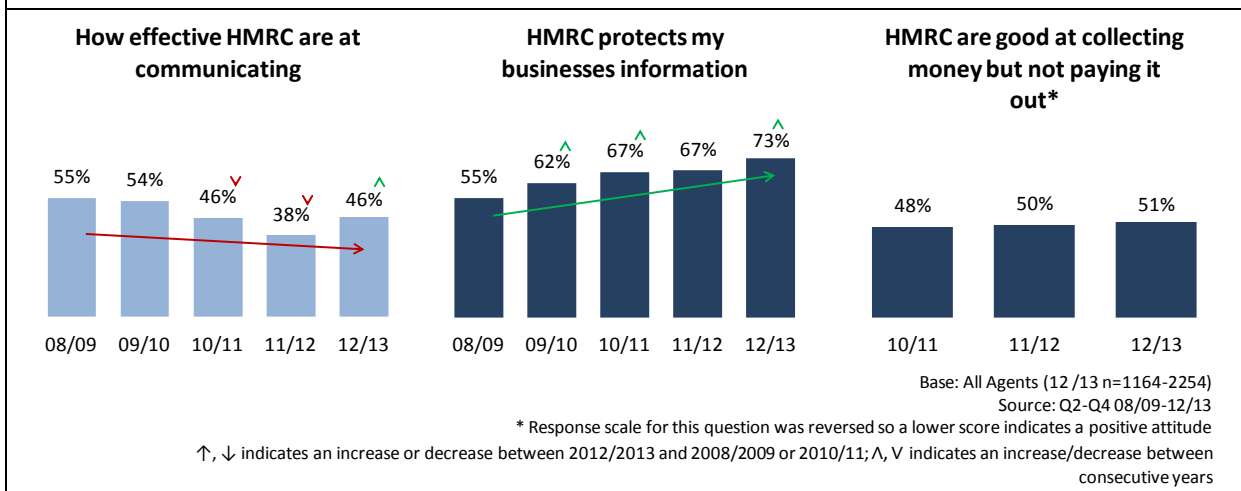
As with the first trust measure, the final trust measure, HMRC can be relied upon to look after customer's interests, also fell between 2010/2011 and 2011/2012. However, the recovery in 2012/2013 (to 39%) was back to 2010/2011 baseline levels. Smaller Agents gave more positive ratings (52% of those with fewer than ten clients, falling to 31% of those with more than 1,000 clients).

2.3.8 Communications and stories

The communications theme comprises two measures; effectiveness of communication and HMRC protects my business information, while the stories theme is represented by the measure 'HMRC are good at collecting our money but not at paying it out' (Chart 2.20). The first of these measures was identified

as a primary area to improve in the KDA, while the last was identified as a secondary area for improvement.

Chart 2.20 Measures of communications and stories



The two communications measures, effectiveness of communication and HMRC protects business information have been asked since 2008/2009. Positive ratings for effectiveness of communication decreased between 2008/2009 (55%) and 2011/2012 (38%). There was some recovery in 2012/2013 (to 46%), although this is still below the baseline level. In contrast, positive ratings for HMRC protects my business' information have been improving since 2008/2009 (from 55% to 73%).

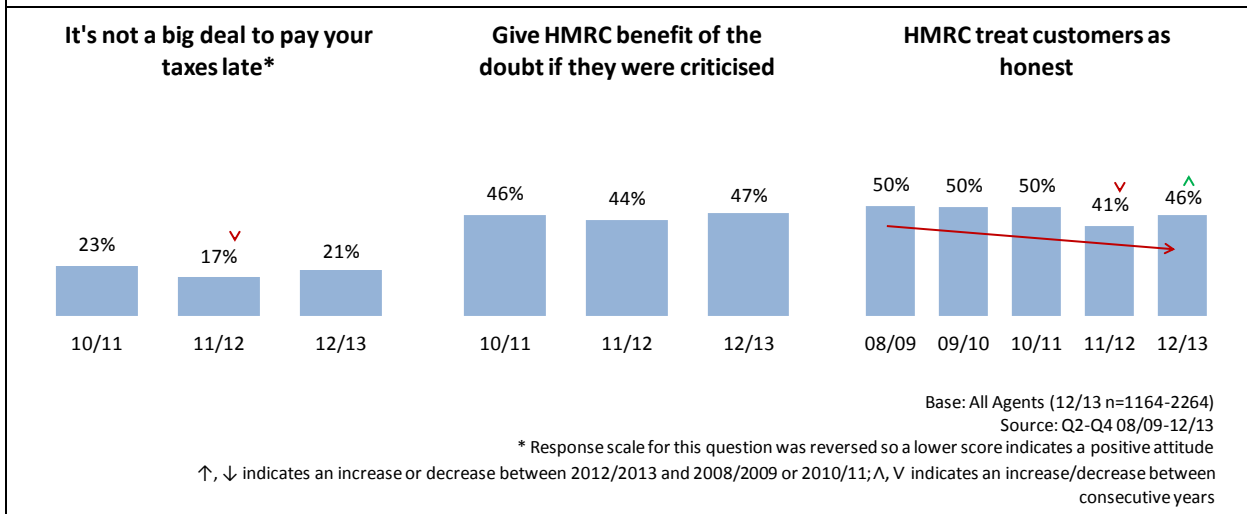
Agents with fewer than ten clients (57%), sole traders (51%) and book keeping firms (57%) were all more likely to give a higher rating for effectiveness of communication.

Ratings for HMRC are good at collecting our money but not at paying it out remained at a similar level between 2010/2011 and 2012/2013 (51%). The response scale for this question was reversed so a lower score indicates a positive attitude. Smaller agents were more likely to give a lower (i.e. more positive) score on this measure (42% of those with fewer than ten clients, increasing to 65% of those with at least 1,000 clients).

2.3.9 Support, compliance and other

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

Chart 2.21 Measures of support, compliance and other



Between 2010/2011 and 2012/2013 ratings for 'it's not a big deal to pay your taxes late' have remained consistently low. This represents a relatively positive attitude in this area, that is a low proportion of customers agreed that it is not a big deal to pay taxes late

Ratings for giving HMRC the benefit of the doubt if criticised were also at a consistent level between 2010/2011 and 2012/2013. Agents with fewer than ten clients (61%), sole traders (54%) and book keeping firms (57%) were more likely to give HMRC the benefit of the doubt.

There was a decline in 2011/2012, in ratings of whether HMRC treat their customers as honest which recovered in 2012/2013 (46%). Overall there had been a decrease in ratings between 2008/2009 and 2012/2013.

3 SME

3.1 Executive summary

3.1.1 Customer Experience

Nature of dealings

- The majority of customers recalled some dealings with HMRC in the past year (93%), with 62% having had dealt with HMRC in the previous three months.

Dimensions of Customer Experience

- More than eight in ten SME (86%) said the overall experience of dealing with HMRC was very or fairly straightforward. Only 9% of SME businesses gave a negative rating.
- Overall the expectation that dealing with HMRC would be straightforward was high (82%), and in general those expectations were met.
- SME businesses were generally positive about HMRC across all dimensions of experience, and in particular in the areas of simplicity: ease of understanding what to do (85% which increased from 82% in 2008/2009) and ease of completing the processes (86%), in one area of responsiveness: how well they were treated by staff (84%) and in one area of reliability and speed: acceptability of time taken (84%).
- The remaining measure of simplicity, ease of getting in touch, was rated less well by SME (70%) and ratings had decreased since 2008/2009.
- Ratings also fell for measures of responsiveness between 2008/2009 and 2012/2013. Ratings for keeping the customer informed fell from 82% to 74% and ratings for how well staff treated the customer fell from 89% to 84%.

Key Driver Analysis

Customers rate certain dimensions highly and others lowly and these ratings can indicate the areas in which improvements in service need to be made. However, resource often dictates that areas for improvement need to be prioritised. The aim of the key driver analysis was to understand the underlying drivers of straightforward⁷. Regression was used to derive the relative importance of each dimension of experience on the overall measure, and provide insight into the

⁷ "Straightforward" in this context refers to the single overall measure: how straightforward was your recent experience of dealing with Revenue and Customs?

precise areas that need to be prioritised for improvement in order to keep overall ratings of straightforward high.

- The key driver analysis identified four areas for improvement. Two of these were related to reliability and speed. An area with great influence on perceived straightforwardness was getting things right, with ability of staff a secondary area for improvement. Ratings for both of these have remained consistent over time.
- Additional areas identified for improvement were the responsiveness measure of keeping the customer informed and the simplicity measure of ease of getting in touch. Positive ratings for both of these measures dropped between 2008/2009 and 2012/2013. For keeping the customer informed this was from 82% to 74% and for ease of getting in touch this was from 80% to 70%.
- In overview, in order to improve ratings of straightforwardness, it is necessary to focus on improving reliability and speed and turning around the declines in keeping the customer informed and making it easy to get in touch. It may be worth focusing on customers dealing with PAYE and NI and on transactions which may require multiple contact methods (or ways to avoid this need).

3.1.2 Reputation

- Ratings for almost all fairness, favourability and trust reputation measures decreased between 2010/2011 and 2012/2013. Two of the three measures which had been asked since 2008/2009 (trusting HMRC to be fair and overall favourability) had decreased in the longer term since 2008/2009.
- Of the other reputation measures, ratings for effective communication and treating customers as honest had also decreased in the longer term. There was an increase in agreement that HMRC protects my business information (from 62% in 2008/2009 to 67% in 2012/2013).
- Ratings of overall favourability had decreased from 64% in 2008/2009 to 59% in 2012/2013.
- Key driver analysis was also performed to derive the relative importance of each of the reputation measures on overall favourability and to find out what may help to reverse this decrease.
- Ratings were generally positive in areas which were important to overall favourability, but having a good reputation was identified as an area of low ratings which was of primary importance to improve to increase overall favourability. Ratings for reputation had decreased from 64% in 2010/2011 to 56% in 2012/2013.

- Areas identified as having secondary importance were treating individuals as honest (down from 73% in 2008/2009 to 65% in 2012/2013), looking after the customer's interests (down from 68% in 2010/2011 to 60% in 2012/2013) and giving HMRC the benefit of the doubt (down from 65% in 2010/2011 to 59% in 2012/2013).
- Declines in ratings were apparent across all types of SME, so the focus should be on halting the overall declines, particularly on measures identified above as areas for improvement.

3.2 Customer experience

3.2.1 The nature of dealings

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

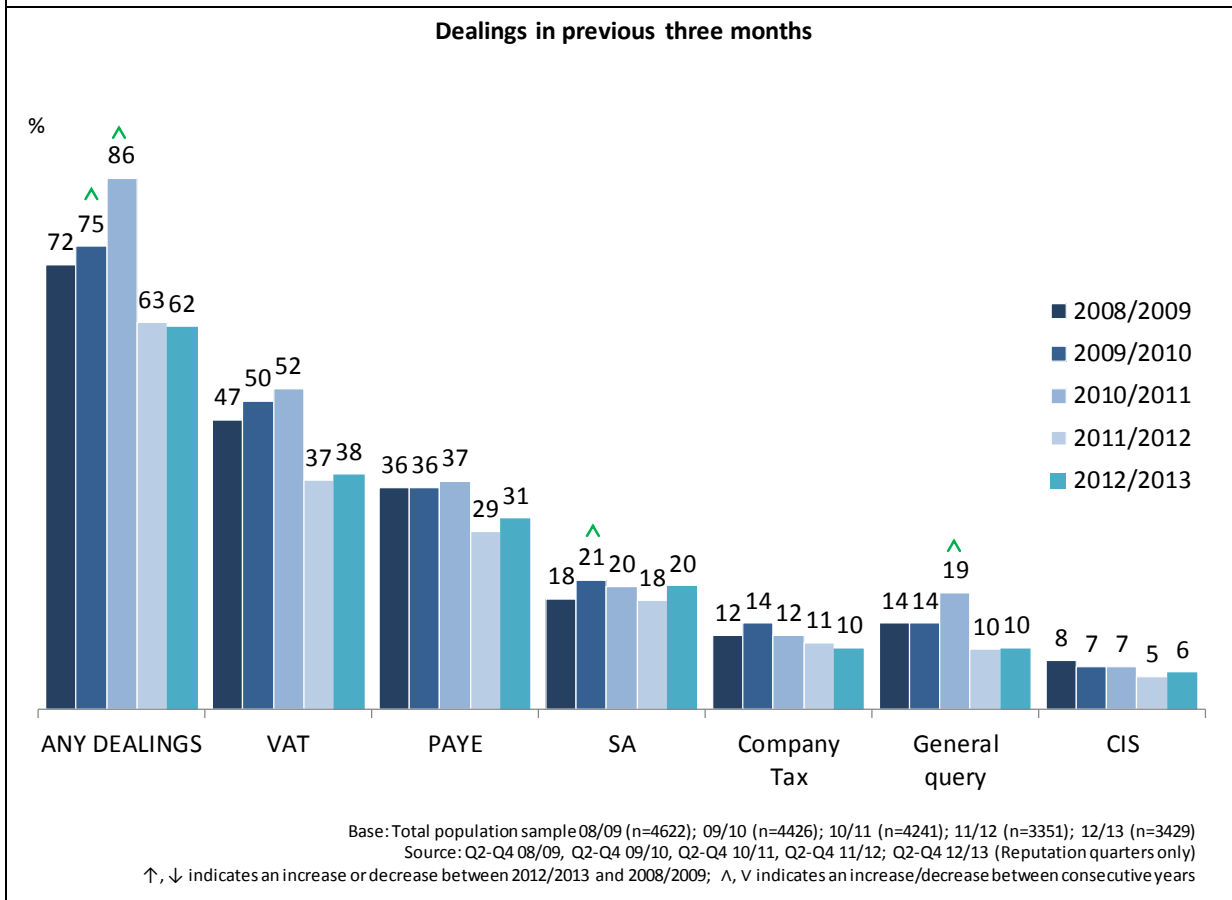
3.2.2 Taxes dealt with

Almost all SME (93%) had dealt with HMRC in the last year. As Chart 3.1 shows, 62% of SME had dealt with HMRC in the previous three months.

In order to increase representativeness, there was a change of sampling approach in 2011 to include more SME operating below the VAT threshold. Due to this change, tests for significant differences have not been performed on the results prior to 2011/2012. It is likely that changes in the level of dealings with VAT, PAYE and general queries are as a result of the change in sampling approach.

Between 2011/2012 and 2012/2013 there were no changes in the level of dealings by SME, either overall or for any specific product.

Chart 3.1 Products dealt with in the last three months



3.2.3 Types of dealings

Most SME customers who had dealt with HMRC in the previous three months reported a variety of dealings about the tax selected for them⁸ (Chart 3.2).

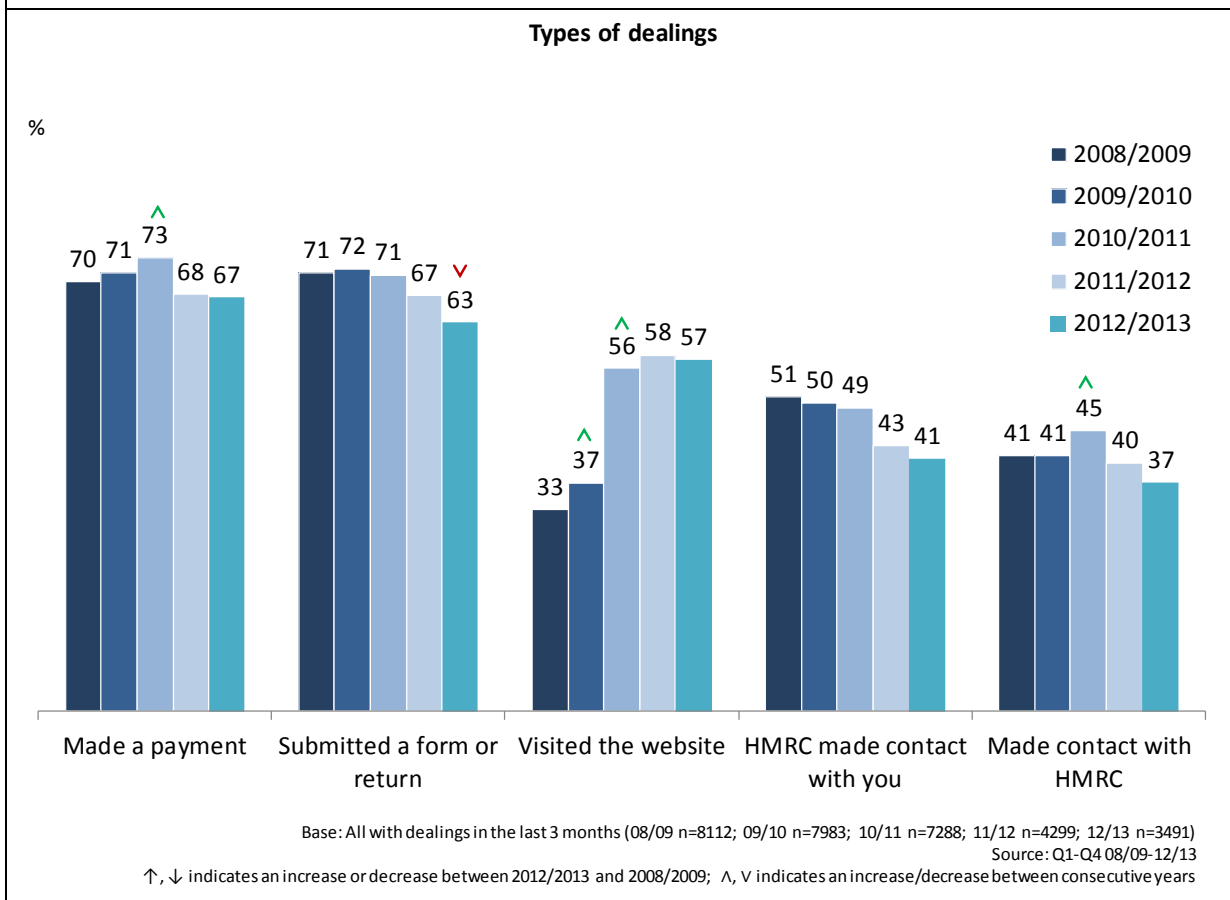
SME businesses were most likely to report having made a payment (67%) and having submitted a form (63%). More than half (57%) of SME with a dealing in the last three months had visited the website. Four in ten SME received contact from HMRC (41%) and made contact with HMRC (37%).

Due to changes to the sampling approach, tests for significant differences have not been performed on results prior to 2011/2012. Trends in the data could indicate relative change but these should be treated with caution.

Between 2011/2012 and 2012/2013, with the exception of a decline in the number who submitted a form or return (from 67% to 63%), there were no changes in the types of dealings taking place in the previous three months.

⁸ For respondents dealing with more than one type of tax, one was selected at random as the subject of all further customer experience questions.

Chart 3.2 Types of dealings in the last three months



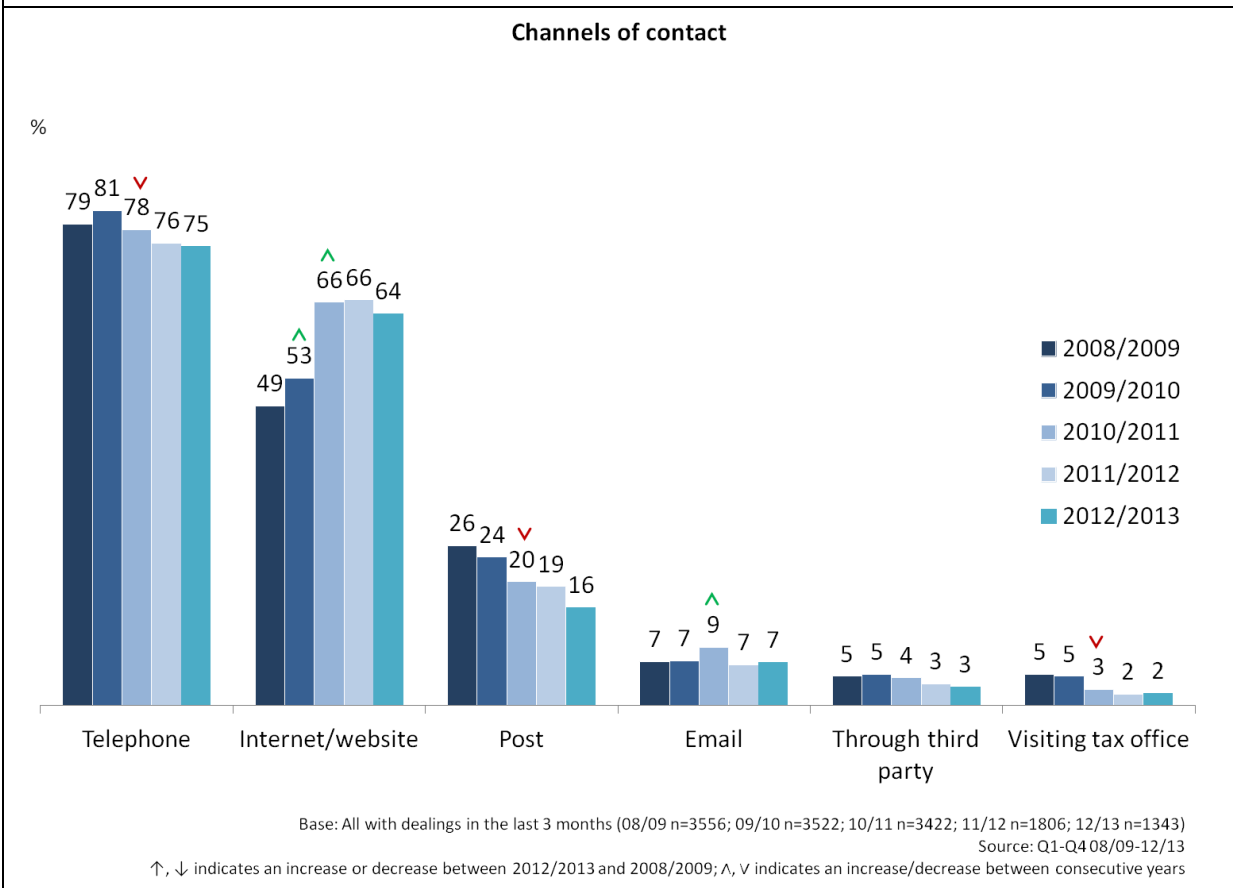
3.2.4 Channels of contact

Methods of contact can influence the customer experience. Only those who reported *making* contact with HMRC were asked which channel they used. Among those with dealings in the previous three months, 37% of SME reported contacting HMRC in relation to their dealing.

When making contact, SME customers were most likely to have used the telephone (74% of those making contact). Contact through the website was also high for SME businesses (64%). Contact by post, email or visiting a tax office were reported at much lower levels (Chart 3.3).

Due to changes to the sampling approach, tests for significant differences have not been performed on results prior to 2011/2012. There were no significant changes between 2011/2012 and 2012/2013.

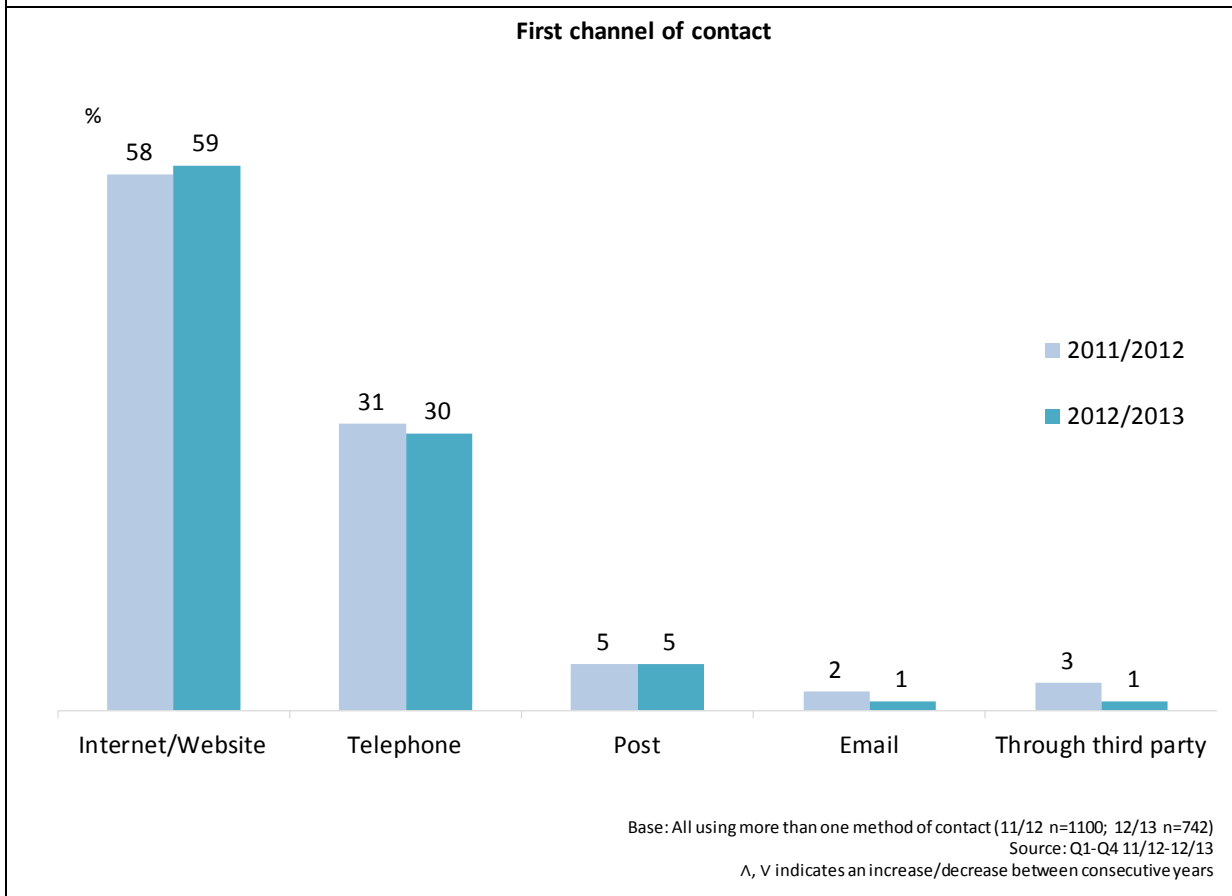
Chart 3.3 Channels of contact in the last three months



It is important to note that most customers used more than one contact method during their most recent dealings. Among those making contact, 54% of SME businesses used more than one method. Where only one method was used, this was most likely to be the telephone (58%) followed by the internet (32%).

A series of new questions were added in 2011/2012 to put dealings in further context. Among customers who had used more than one method, the first channel used was most likely to be the internet (59%), followed by the telephone (30%). This is in line with 2011/2012 (Chart 3.4).

Chart 3.4 First channel of contact



The reason for using an alternative channel most frequently mentioned was that they did not find or receive the information they required at the first attempt (34%). One in ten sought confirmation or reassurance (12%) or were only using the internet/phone to get information before using preferred method (12%). Other reasons were given at lower levels. Three quarters of those using more than one channel (74%) said that the number of times they were in contact with HMRC was acceptable, which had not changed since 2011/2012 (78%).

3.2.5 Overall ratings of customer experience

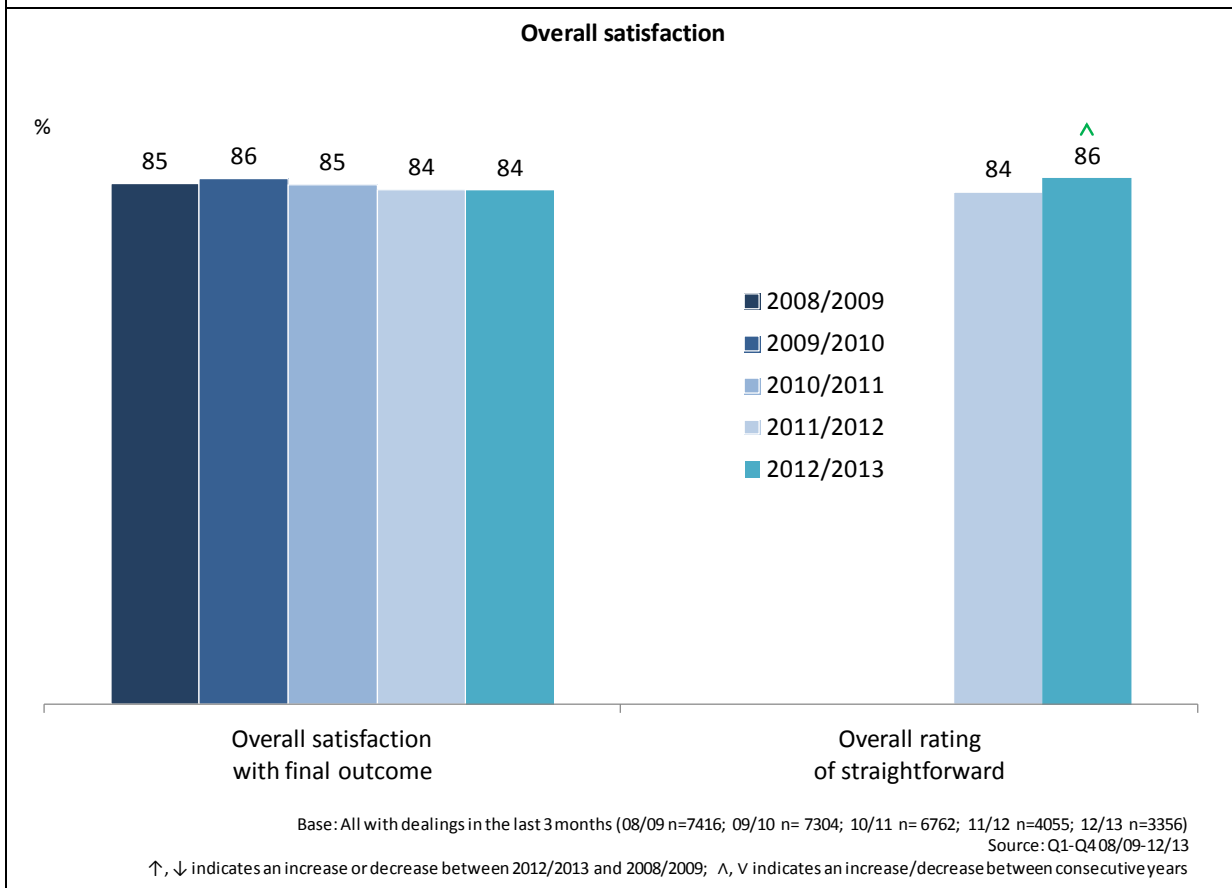
Overall ratings of the customer experience can be strongly influenced by two factors: satisfaction with the outcome, and prior expectations. For example, if two customers receive the same level of service, but one gains financially and the other loses, then the customer who gains financially is likely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

To encourage customers to focus on their experience of the service they received when dealing with HMRC and minimise the influence of outcomes on the ratings they gave, they were first asked to rate their satisfaction with the

final outcome of their dealings, and then asked to put the outcome aside, and rate how straightforward their dealing was.

Prior to Q4 2010/2011 rather than rate how straightforward their dealing was, customers were asked to rate their overall experience, so the 2011/2012 measure of straightforward forms a new baseline.

Chart 3.5 Overall ratings of customer experience



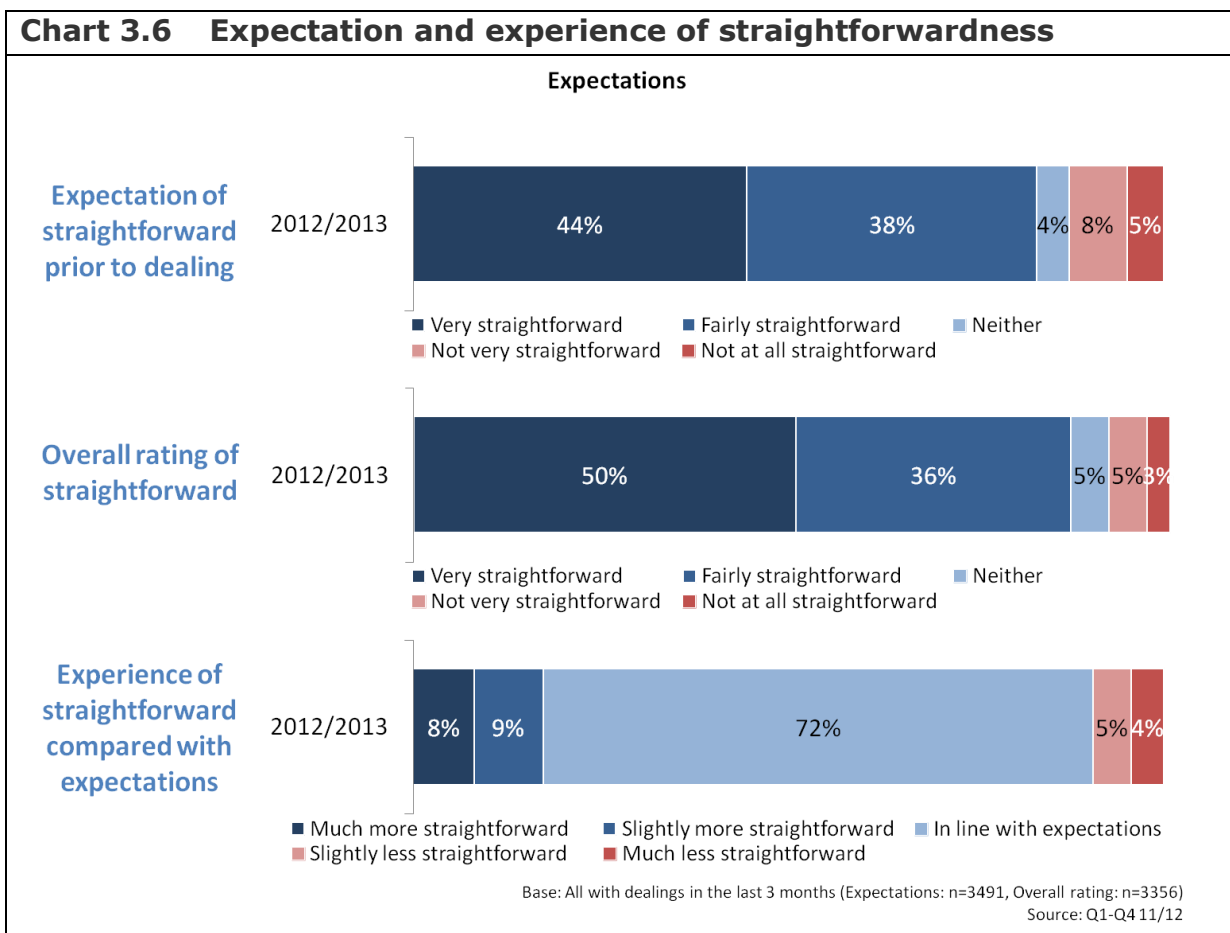
In line with the 2011/2012 baseline, over eight in ten SME businesses (86%) said their experience was very or fairly straightforward. Only 9% gave a negative rating. Satisfaction with the final outcome of the dealing was rated as highly as overall straightforwardness, with 84% of SME very or fairly satisfied. Overall satisfaction has remained at a consistent level since 2008/2009.

For SME businesses there was some difference by tax dealt with. Ratings of straightforward were highest for those dealing with VAT (90%) and lowest for those dealing with a general query (72%). As in 2011/2012, these were the only ratings which differed significantly from ratings for all products combined.

A new question was added to the survey in Q2 2011/2012 asking customers to state what their expectation of straightforwardness was before their dealings

began (this question was asked before the more detailed experience questions). In a continuation of the previous line of questioning, customers were asked whether their experience was more or less straightforward or in line with expectations, but the response scale changed from a three-point to a five-point scale.

Chart 3.6 shows both of these measures alongside the overall rating of straightforward for 2012/2013. Findings are in line with those reported in 2011/2012.



Eight in ten SME customers (82%) had expected, before their dealing, that it would be very or fairly straightforward, very similar to the proportion who went on to report that their dealing was straightforward (86%). Seven in ten (72%) reported that their experience was in line with expectations.

There was a strong relationship between experience against expectations and overall rating of straightforward. Among SME who rated their experience very or fairly straightforward, three in four (76%) said it was in line with expectations, compared with 50% who rated their experience neutrally or not straightforward.

Of those who rated overall straightforward neutrally or negatively, 45% said it was less straightforward than expected.

3.2.6 Dimensions of customer experience

Whilst the overall ratings of customer experience give a general picture, it is essential to look in more detail at particular dimensions of the experience in order to ascertain what may be driving customer ratings and to identify key areas for action. The dimensions of customer experience were introduced in section 1.6.2.

3.2.7 Relative ratings of experience and changes over time

Chart 3.7 gives an overview of the relative ratings of the nine dimensions of experience and changes between the 2008/2009 baseline and 2012/2013.

The arrows show where there has been a significant change in performance from 2008/2009 to 2012/2013 and the arrow heads show where there was a significant change in the measure from the previous year. Additionally, the colour coding shows relative levels of positive scores (very or fairly good etc.) where darker shading represents a 2012/2013 score equal to or above the median of the key drivers (more in section 3.2.8) whereas lighter shading represents a score below the median.

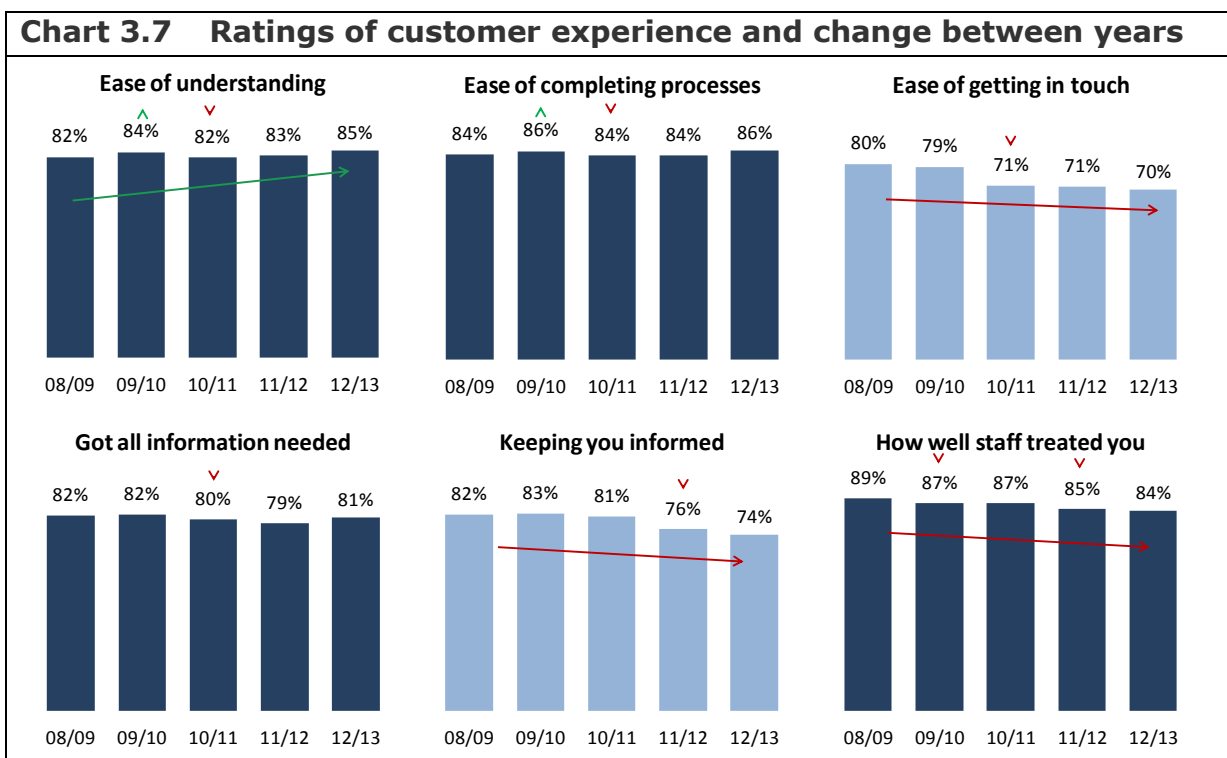
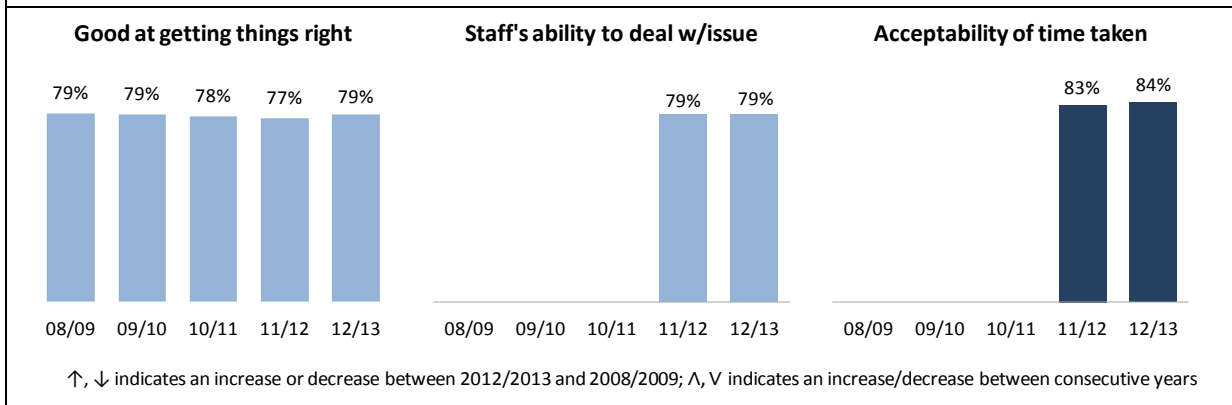


Chart 3.7 Ratings of customer experience and change between years

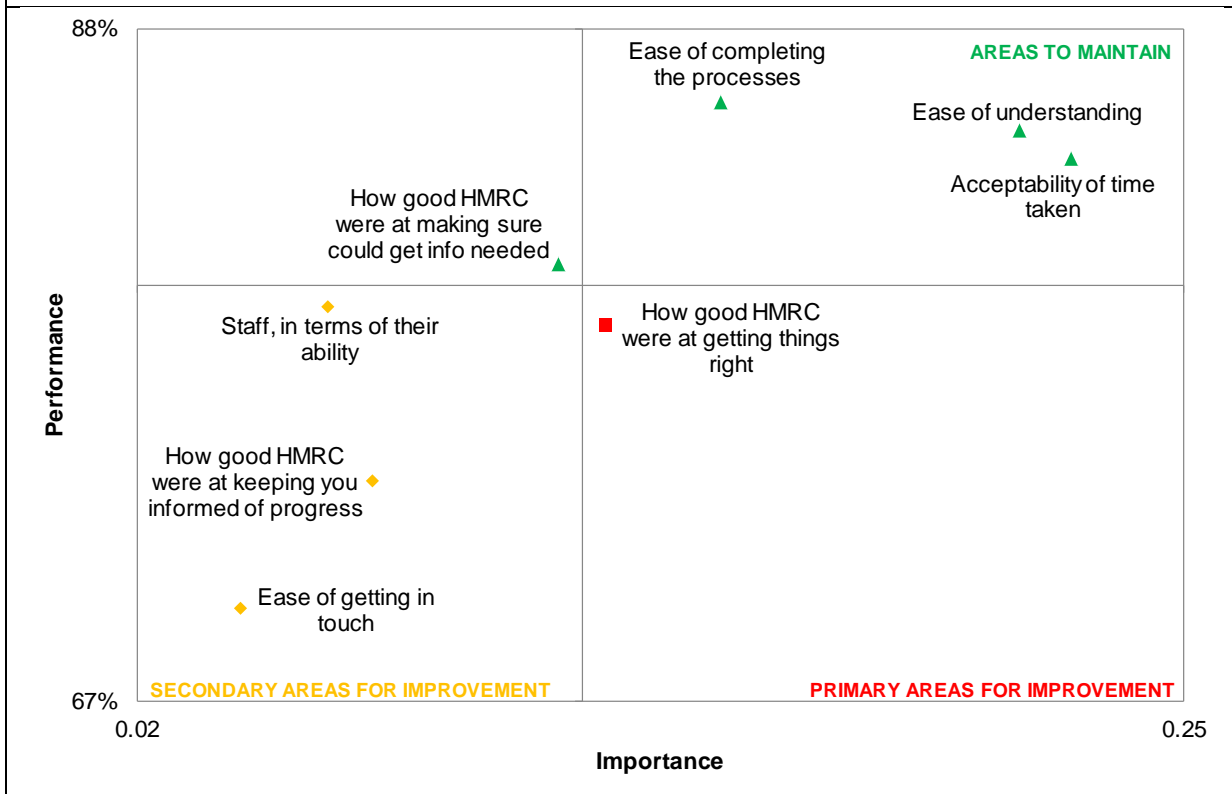


This chart shows that the majority of SME businesses were positive about HMRC across all dimensions of experience, but where changes occurred they were more often decreases. The lowest rating was given for ease of getting in touch which has decreased since 2008/2009 (70% down from 80% in 2008/2009). More detailed findings for the different dimensions are discussed in sections 3.2.9 to 3.2.11.

3.2.8 Key driver analysis

Key driver analysis (KDA) was carried out using multivariate analysis of the overall rating of straightforwardness. The final analysis plots importance against performance in a quadrant diagram (Chart 3.8) with relative importance in driving the overall straightforward rating on the horizontal axis and performance on the vertical axis. A more detailed description of key driver analysis is in Appendix A.

Chart 3.8 Key drivers of straightforwardness⁹



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

Performance scores were generally high in areas that had a high influence on the overall rating of straightforward: acceptability of the time taken to reach a final outcome, ease of completing the processes and ease of understanding what to do. These areas need to be maintained to keep the overall straightforward rating high. The only key area for improvement due to its relatively prominent level of importance and lower performance rating is getting things right, and this was scored relatively highly, only just appearing in the bottom right quadrant.

Areas that were rated lower both in terms of importance and performance are secondary areas for improvement. These are ease of getting in touch, keeping the customer informed of progress and staff’s ability. Ease of getting in touch had the lowest performance score.

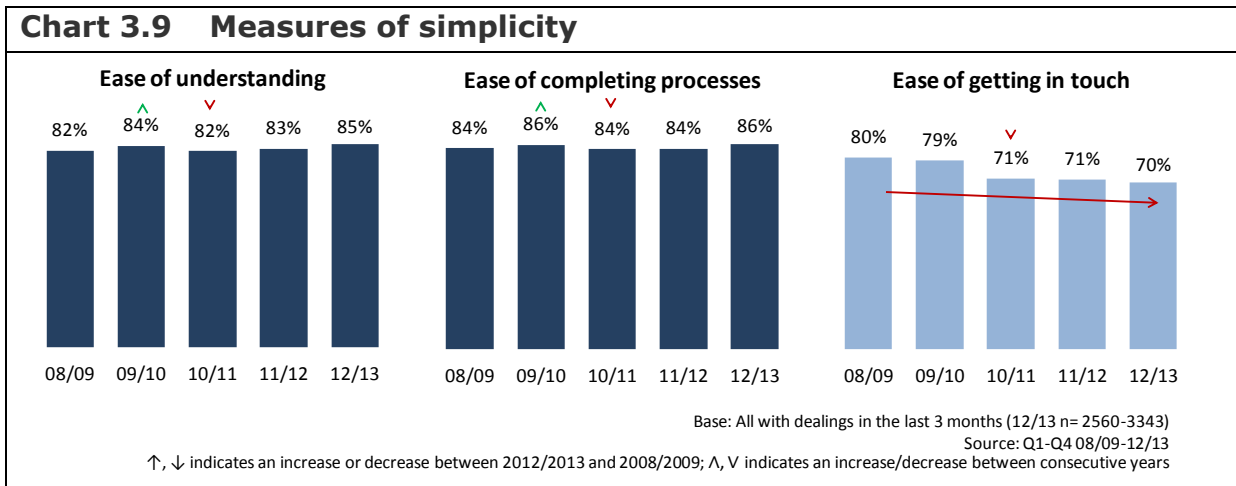
The remainder of this section will focus on measures which have shown significant change over time, or which have been identified as areas for

⁹ R² is 0.62 meaning that 62% of the variance can be accounted for in the model.

improvement in the key driver analysis to help shed more light on potential areas for improvement.

3.2.9 Simplicity

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



More than eight in ten SME customers felt that it was easy to understand what they needed to do (85%), and that it was easy to complete the processes (86%) related to their dealings. Both measures have remained relatively stable across the five years of the survey, although ease of understanding had increased since 2008/2009 (82%). Both were identified as strong areas of performance to maintain in the key driver analysis.

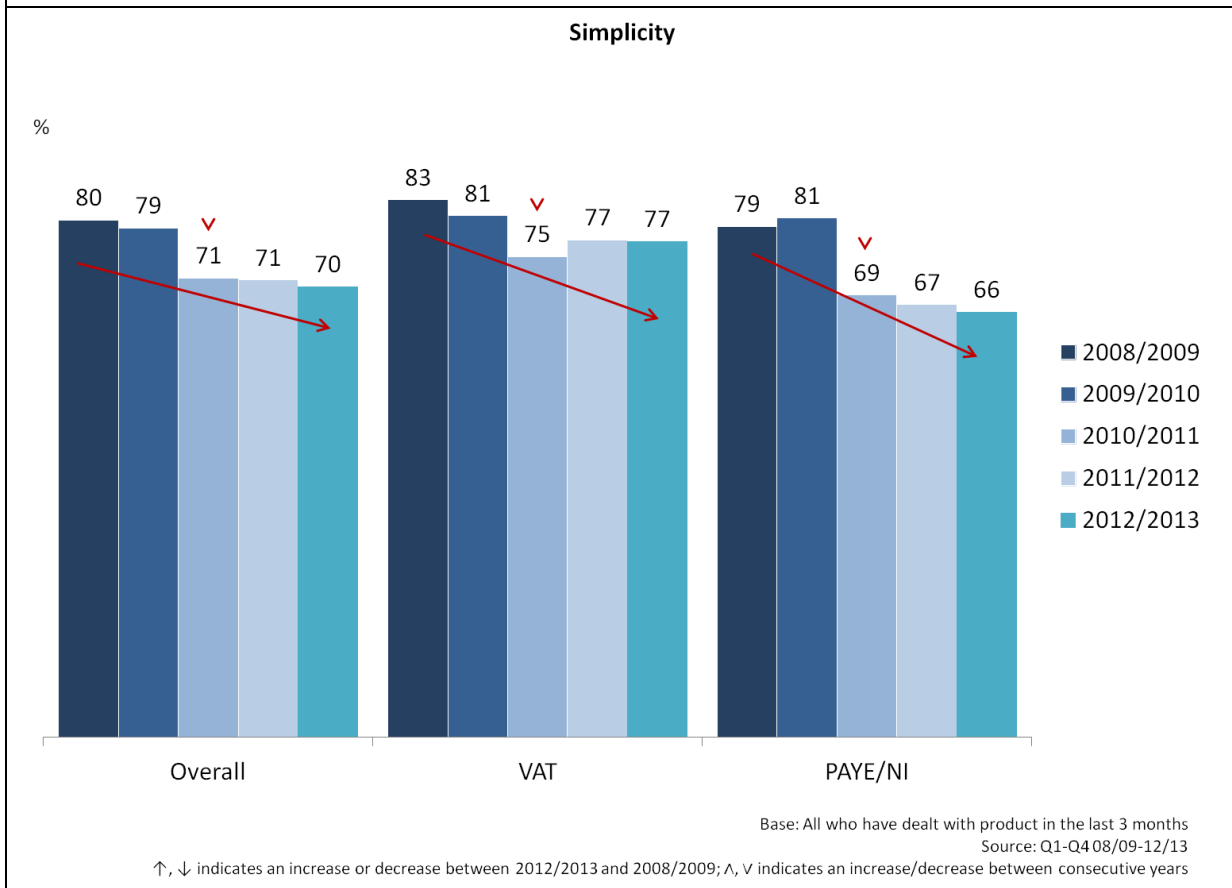
In contrast to the other two simplicity measures, perceived ease of getting in touch has decreased since 2008/2009 (from 80% to 70%). However, it has remained at a consistent level since 2010/2011, with the decrease occurring between 2009/2010 and 2010/2011. This was identified as a secondary area to improve in the key driver analysis, and was the measure with the lowest performance score overall.

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

Ratings for ease of getting in touch decreased for dealings with all products between 2008/2009 and 2012/2013, but this change was only significant for dealings with VAT, PAYE and NI and a general query. Ease of getting in touch for

VAT and PAYE/NI are shown on Chart 3.10. Dealings with VAT were rated highest across all products (77% down from 83% in 2008/2009), while dealing with a general query was rated lower (58% down from 82% in 2008/2009).

Chart 3.10 Ease of getting in touch by product

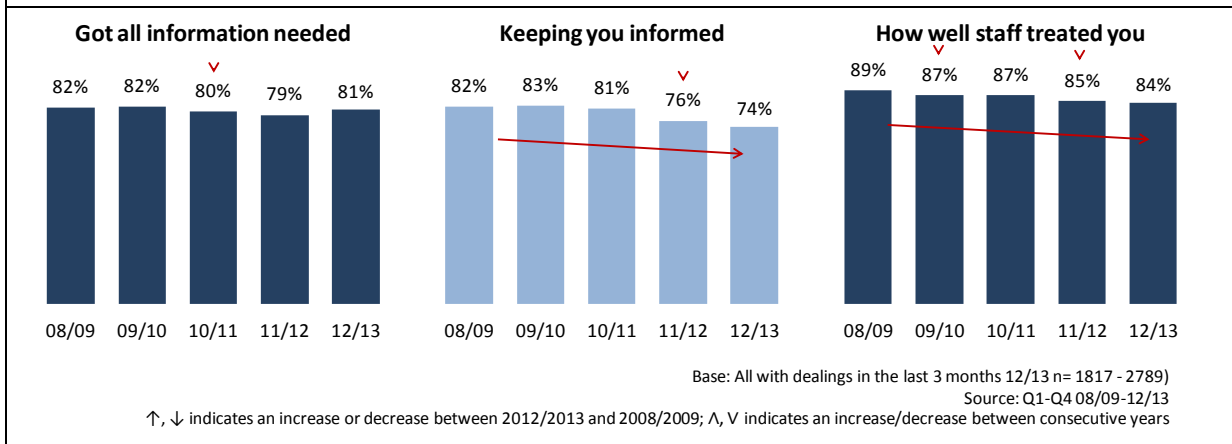


Those who had used at least three channels of contact were least positive about ease of getting in touch (54%), while those who had only used one channel were more positive than the average (75%).

3.2.10 Responsiveness

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

Chart 3.11 Measures of responsiveness



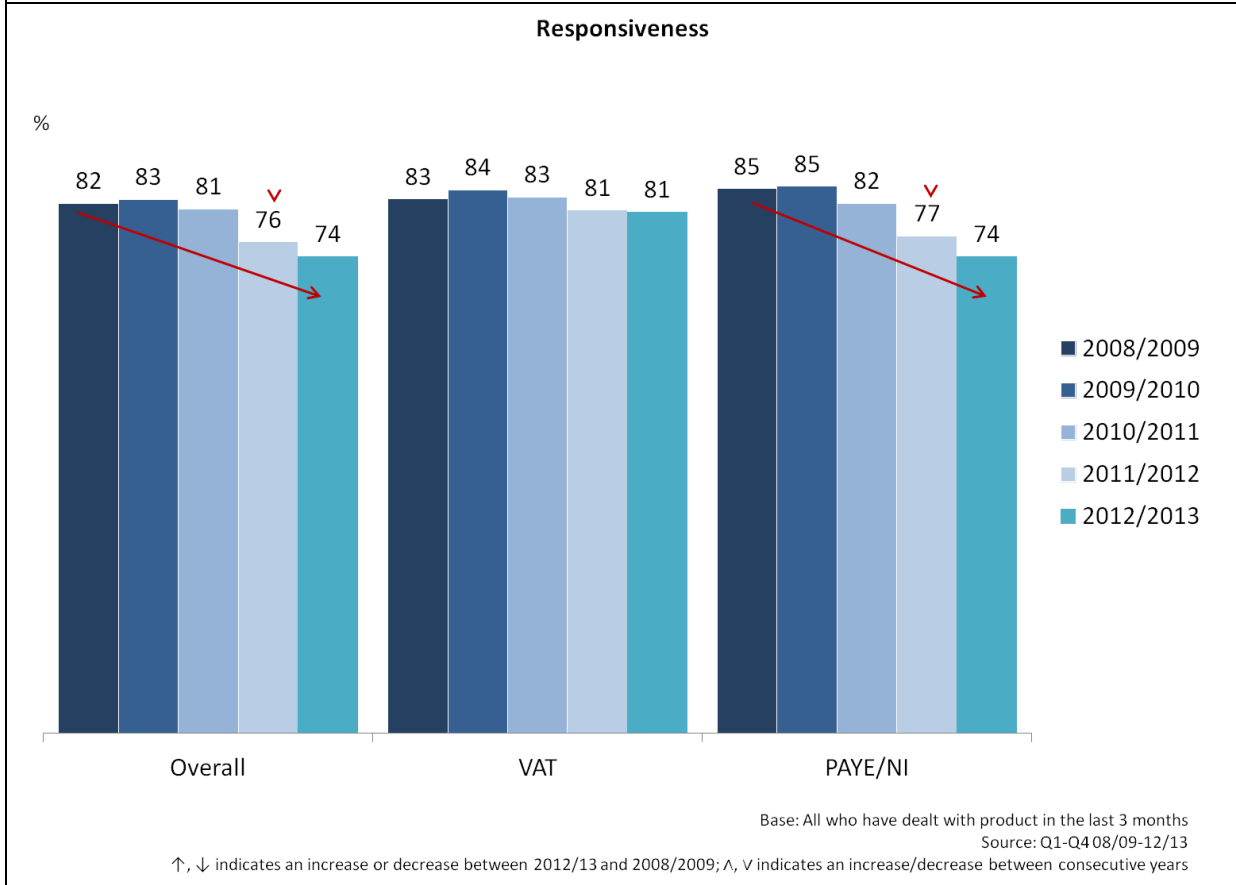
Ratings for getting all the information you need have remained broadly consistent between 2008/2009 and 2012/2013 (81%) with just some minor fluctuation year on year.

Ratings for the other two measures of responsiveness (keeping the customer informed and how well staff treated the customer) have both declined since 2008/2009. Keeping the customer informed about progress was identified as a secondary area for improvement in the key driver analysis.

How good HMRC was at keeping the customer informed about progress was rated highly by at least eight in ten SME between 2008/2009 and 2010/2011, but this decreased to 74% in 2012/2013.

The decrease was driven through dealings with a number of products: SA for the self-employed or partnership (68% down from 84% in 2008/2009), PAYE and NI (74% down from 85% in 2008/2009), and a general query (59% down from 80% in 2008/2009). Being informed about progress continued to be rated highest for dealings with VAT (81%). Ratings for keeping the customer informed among all SME and for dealings with VAT and PAYE/NI are shown on Chart 3.12.

Chart 3.12 How good HMRC was at keeping the customer informed about progress by product



SME whose dealings involved making contact with HMRC rated being kept informed lower (64%), particularly those who made contact by post (53%).

The final measure of responsiveness, how well HMRC staff treated the customer, was one of the dimensions rated relatively highly by SME, but there had been a downward trend over the longer term (84% in 2012/2013 down from 89% in 2008/2009).

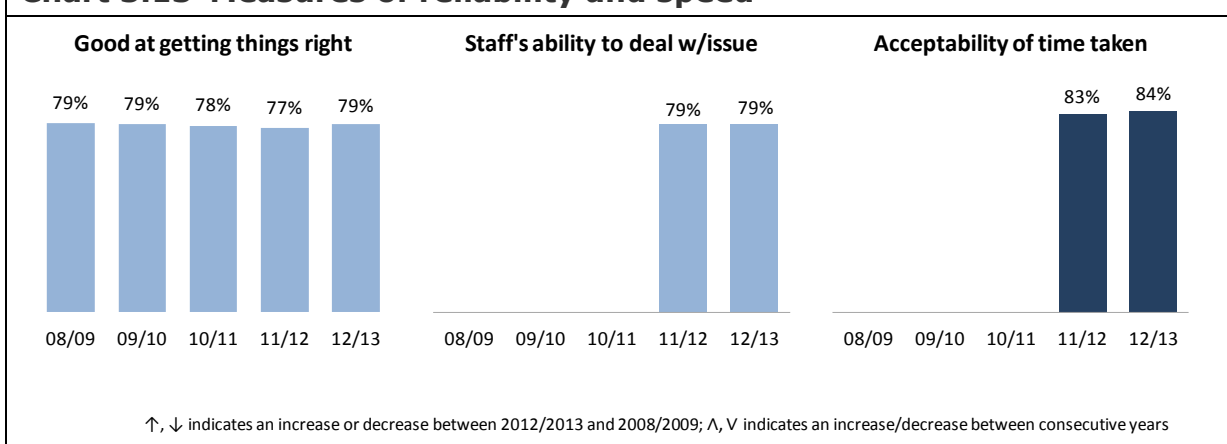
To understand the results further we can again look at whether ratings differ for different sub-groups.

The only significant decline in ratings between 2008/2009 and 2012/2013 by product type was in dealings with PAYE and NI (85% down from 91% in 2008/2009). There were few differences between ratings given by different subgroups.

3.2.11 Reliability and Speed

Ratings of reliability and speed included how good HMRC were at getting things right, the staff in terms of their ability to deal with the issues and the acceptability of the time taken to reach a final outcome. In the key driver analysis, acceptability of time taken was identified as an area of strong performance and one which should be maintained. Getting things right was identified as a key area to improve, while staff's ability to deal with the issue was a secondary area for improvement. The measures for both staff's ability to deal with the issue and the acceptability of time taken were added to the survey in 2011/2012.

Chart 3.13 Measures of reliability and speed



Ratings SME gave for how good HMRC were at getting things right remained consistent between 2008/2009 and 2012/2013 (79%), but was one of the dimensions of experience rated relatively lowly by SME. There were few differences between subgroups, but those who had dealings with VAT were more positive (82%) and those whose dealings involved them making contact with HMRC gave lower ratings (74%). This was particularly the case for those who had made contact by post (60%) and those who made contact via at least three channels (54%).

The first of the new measures was staff's ability to deal with the issue, which was rated positively by 79% of SME and was unchanged from 2011/2012. Those who made contact by post (64%) and those who made contact via at least three channels (66%) were less positive.

The second new measure, acceptability of time taken to reach a final outcome, was rated highly by slightly more (84%) and was also unchanged from 2011/2012. Those who had dealings with VAT were more positive (89%), while those whose dealings involved general queries gave lower ratings (65%). Those whose dealings involved them making contact with HMRC were also less positive

(75%), particularly those making contact by post (64%) or using at least three channels of contact (55%).

3.3 Reputation

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

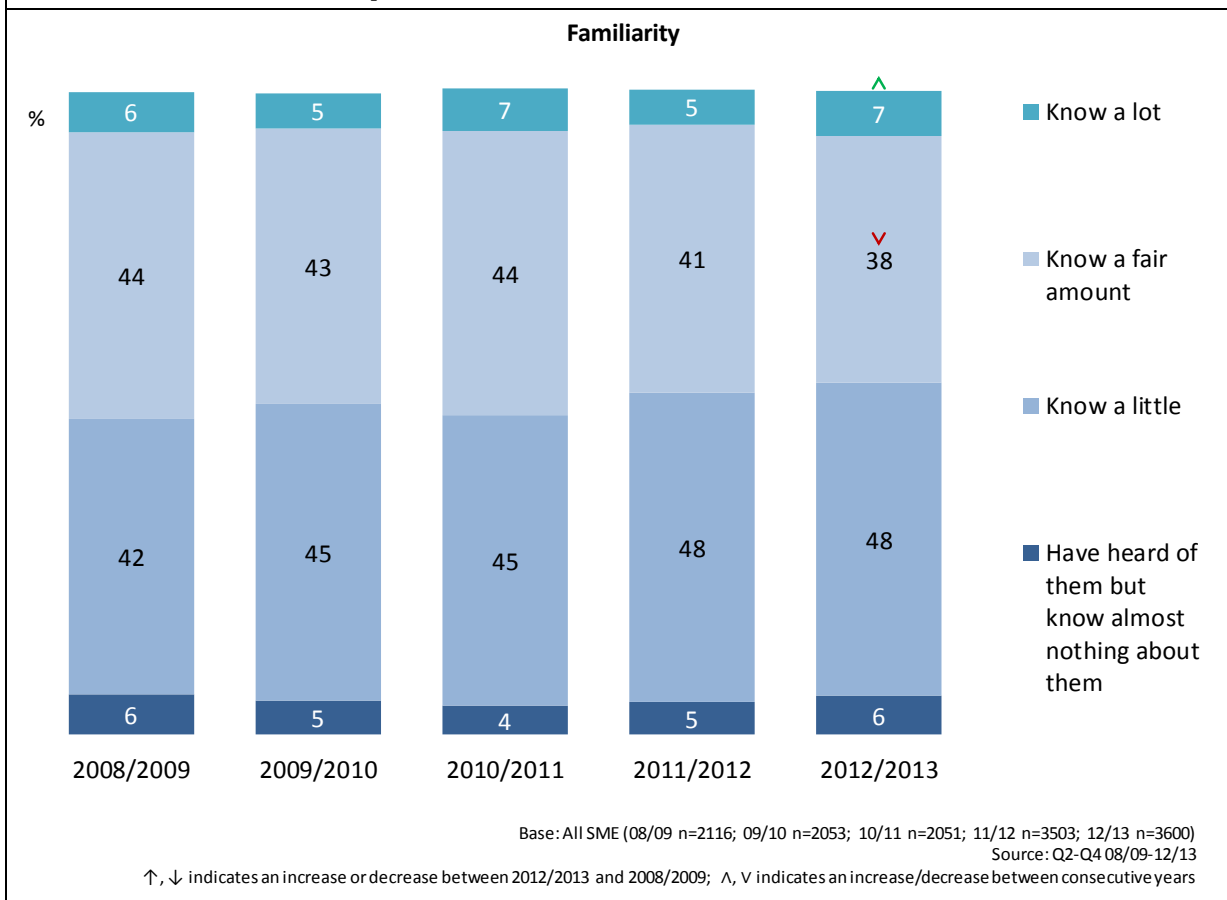
These questions were developed to provide measures to track HMRC's reputation and to evaluate the performance of its values over time among different audiences. Questions about reputation were asked of a representative sample of customers and not just those who had dealt with HMRC in the previous three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

Measurement was integrated within the Customer Survey from 2008, although the measures were substantially changed in 2010/2011. This chapter focuses on the findings from 2012/2013, and draws on any significant changes from 2010/2011 (or 2008/2009 where measures have remained unchanged).

3.3.1 Familiarity

It is important to establish familiarity (in conjunction with frequency of dealing with HMRC) to help determine the extent to which opinions of HMRC are likely to be based on experience or other influences such as word of mouth or the media. SME businesses reported a moderate level of familiarity with HMRC, and although the vast majority knew at least a little (93%), only seven percent of SME businesses felt they knew a lot about HMRC.

Chart 3.14 Familiarity



There was little change between 2008/2009 and 2011/2012, but in 2012/2013 there was an increase in the number of SME who felt they knew a lot about HMRC (7%, up from 5% in 2011/2012) and a decrease in the number who felt they knew a fair amount (38%, down from 41% in 2011/2012). Overall the number who knew at least a fair amount stayed the same in 2012/13.

These relative levels of familiarity correspond with the level of recent dealings reported in Section 3.2.1, where 62% of SME had dealt with HMRC in the previous three months. Generally, familiarity with HMRC increases with frequency of dealings. More than half of SME (55%) who had dealt with HMRC in the previous three months said they knew a lot or a fair amount about them, compared with just 31% of SME who had not had a recent dealing (compared to 45% of SME overall).

3.3.2 Measures of reputation

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

3.3.3 Relative ratings of reputation and changes over time

Chart 3.15 gives an overview of the relative ratings of the reputation measures that make up elements of HMRC's reputation (fairness, favourability and trust), and changes between the baseline (either 2008/2009 or 2010/2011) and 2012/2013.

The arrows show where there has been a significant change in performance from 2008/2009 (or 2010/2011 in the case of measures added in 2010) to 2012/2013 and the arrow heads show where there was a change in the measure between two consecutive years.

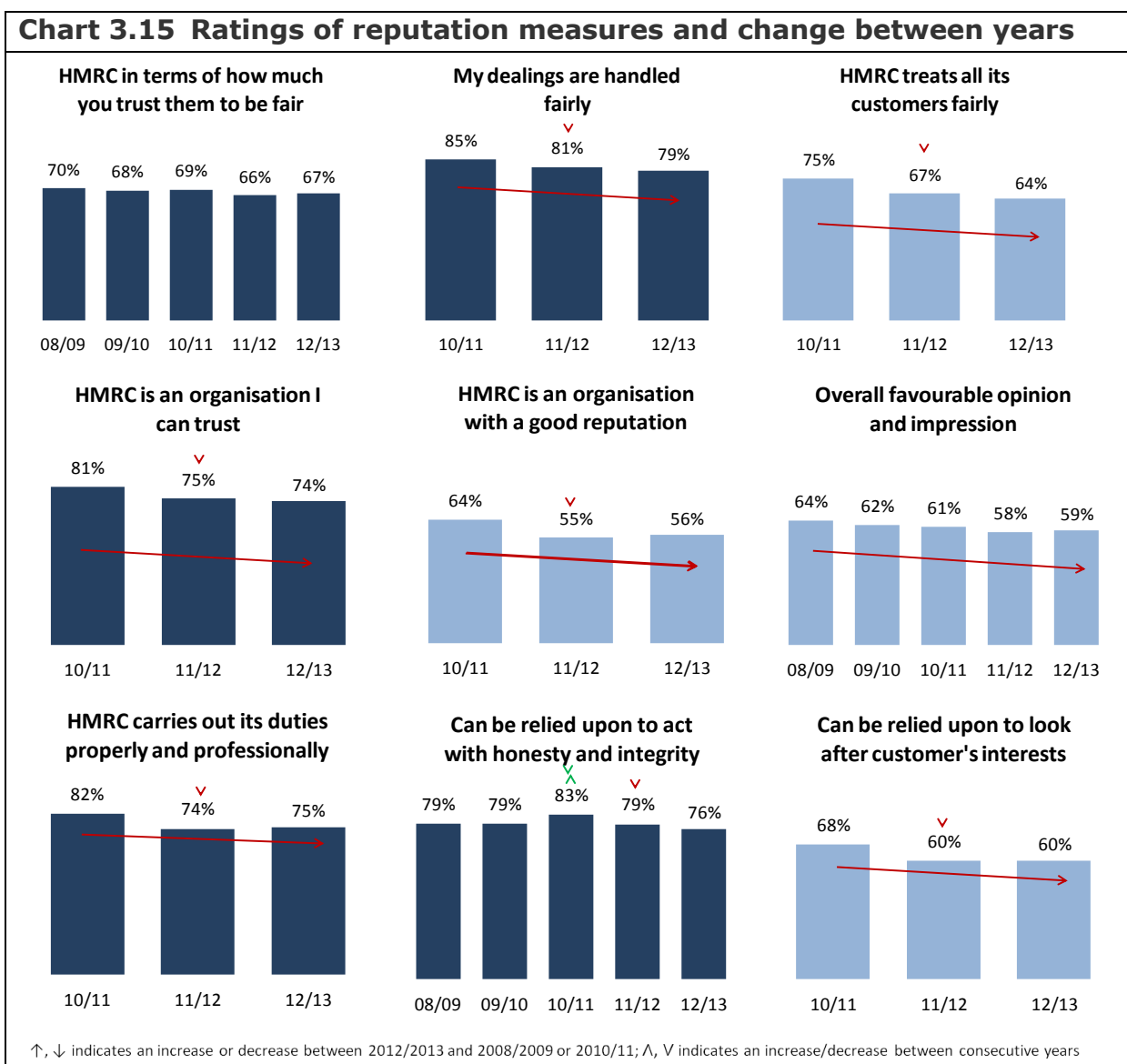
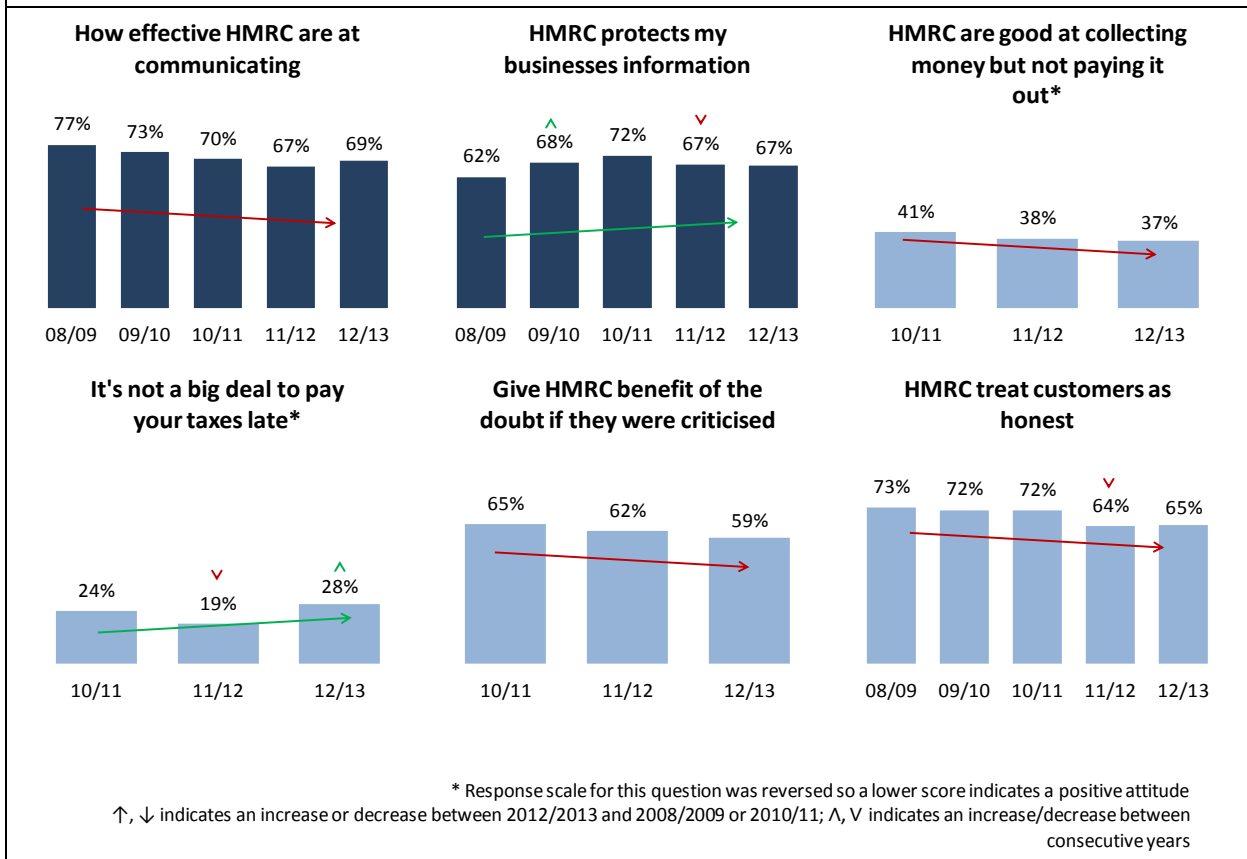


Chart 3.16 gives an overview of the relative ratings of the remaining reputation measures (communications, stories, support, compliance and other). Across Chart 3.15 and Chart 3.16 the colour coding shows relative levels of positive

scores (very or fairly good etc.) where darker shading represents a 2012/2013 score equal to or above the median of the key drivers, whereas lighter shading represents a score below the median.

Chart 3.16 Ratings of other reputation measures and change between years

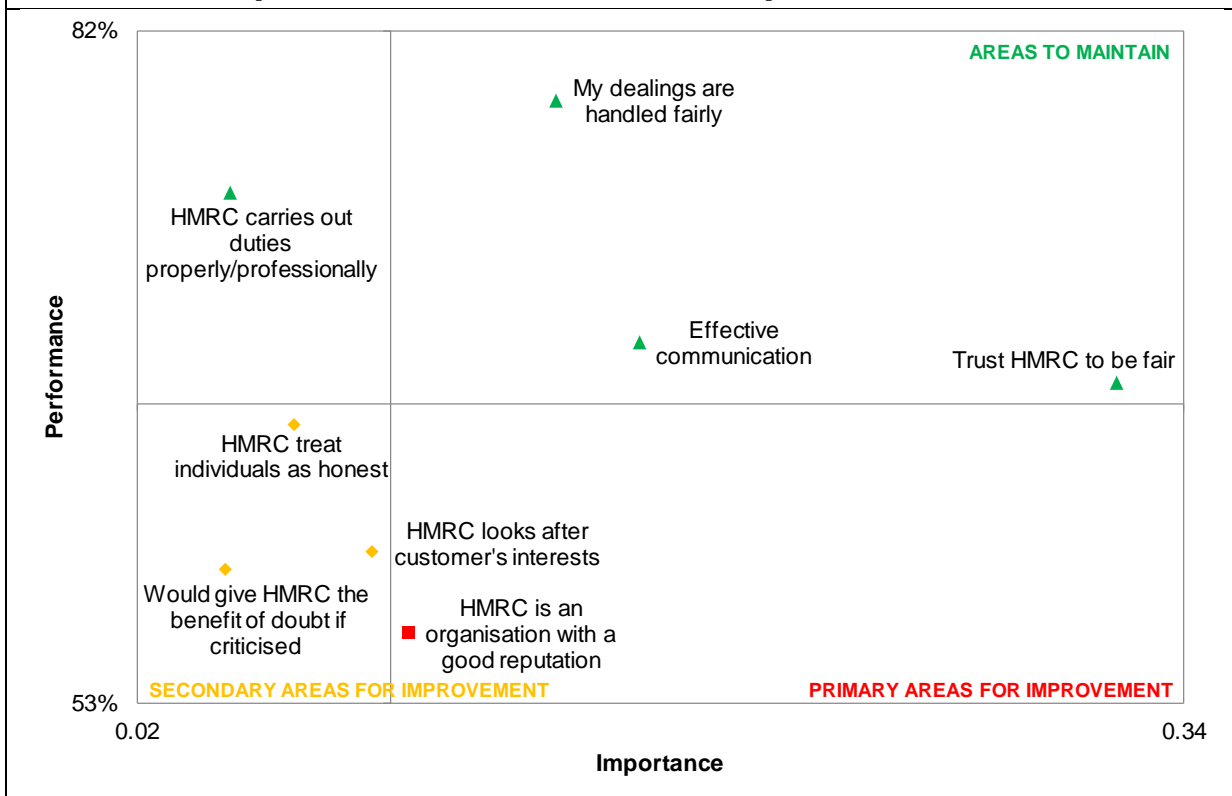


The charts show that the majority of SME businesses were positive about HMRC across all reputation measures, but there were a number of decreases over the longer term. The rating given to HMRC protects my business information was the only long term increase. More detailed findings for the different dimensions are discussed in sections 3.3.5 to 3.3.9.

3.3.4 Key driver analysis

Key driver analysis was carried out using multivariate analysis of an overall measure (favourability). The final analysis plots importance against performance in a quadrant diagram with relative importance in driving favourability on the horizontal axis and performance on the vertical axis (Chart 3.17). A more detailed description of key driver analysis is in Appendix A.

Chart 3.17 Key drivers of overall favourability¹⁰



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

Trusting HMRC to be fair, effective communication with customers and handling dealings fairly were all identified as important areas, but where HMRC is performing well, so should be maintained.

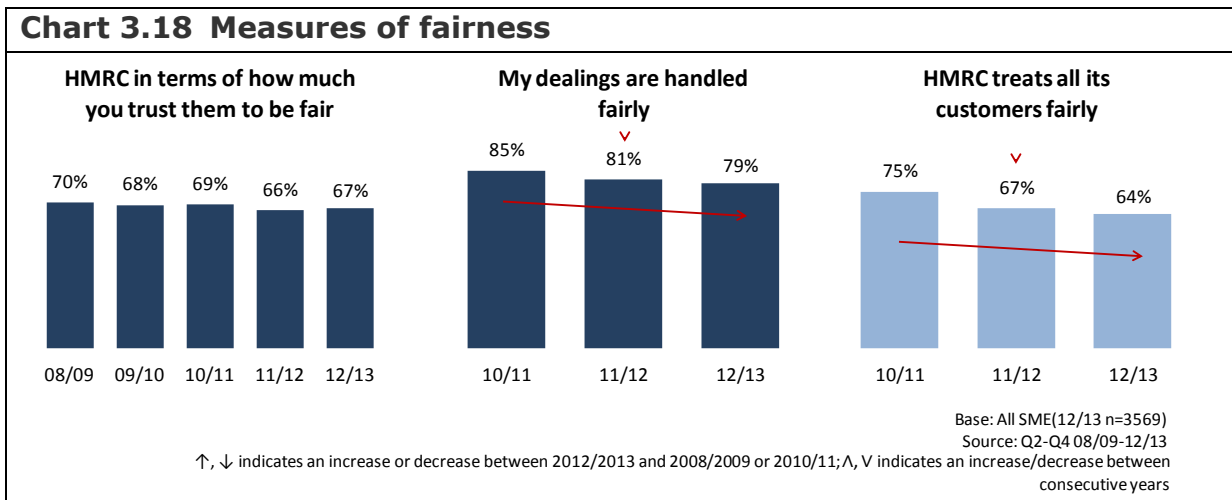
The key area identified for improvement was in HMRC having a good reputation. This is an important area, but one where performance is currently relatively poor. Secondary areas for improvement are in treating individuals as honest, looking after the customer's interests and in giving HMRC the benefit of the doubt if criticised.

3.3.5 Fairness

Fairness includes three measures; trust HMRC to be fair, my dealings are handled fairly and HMRC treats all its customers fairly. All three measures have

¹⁰ R² is 0.47 meaning that 47% of the variance can be accounted for in the model.

seen decreases since they were first introduced. The first two measures were identified in the key driver analysis as areas to maintain, so it is important that these do not decrease further.



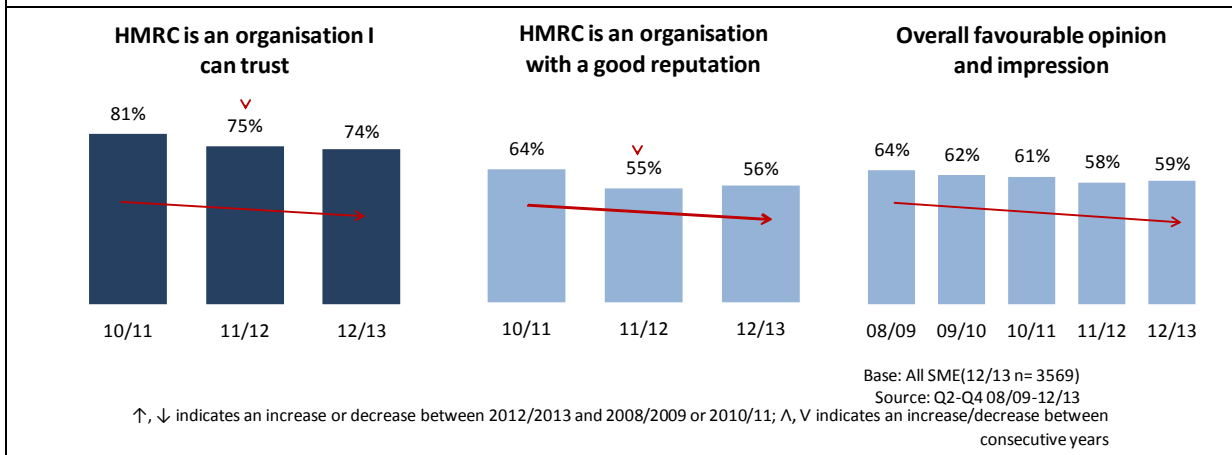
Of the three fairness measures, trust in HMRC to be fair is the only one to have been asked since 2008/2009. In that time ratings decreased steadily but not significantly. There was little variation by subgroup, although sole traders were more likely to give positive ratings (72% compared to 67% overall).

The perception that their dealings are handled fairly by HMRC was rated positively by eight in ten SME (79%), although this had decreased since the question was introduced in 2010/2011 (85%). Six in ten SME (64%) agreed that HMRC treats all its customers fairly, and this had also decreased since 2010/2011 (75%). There were no notable differences by subgroups for either measure, and the decreases were reflected across both those with recent dealings and those with no recent dealings.

3.3.6 Favourability

Favourability includes three measures; HMRC is an organisation I can trust, HMRC is an organisation with a good reputation and overall favourability of opinion and impression. As for fairness, all three measures have seen decreases in positive ratings since they were first introduced. The perception that HMRC is an organisation with a good reputation was identified in the key driver analysis as a key area for improvement.

Chart 3.19 Measures of favourability



The perception that HMRC is an organisation that can be trusted was rated positively by three-quarters of SME (74%), although this had decreased since the question was introduced in 2010/2011 (81%). Just over half of SME (56%) agreed that HMRC is an organisation with a good reputation, and this had also decreased since the question was introduced in 2010/2011 (64%). Both of these decreases took place between 2010/2011 and 2011/2012, with no further decline in 2012/2013.

Larger organisations (with 100+ employees) gave less positive ratings for HMRC being an organisation with a good reputation (44%) but otherwise there were no notable differences by subgroup on either measure.

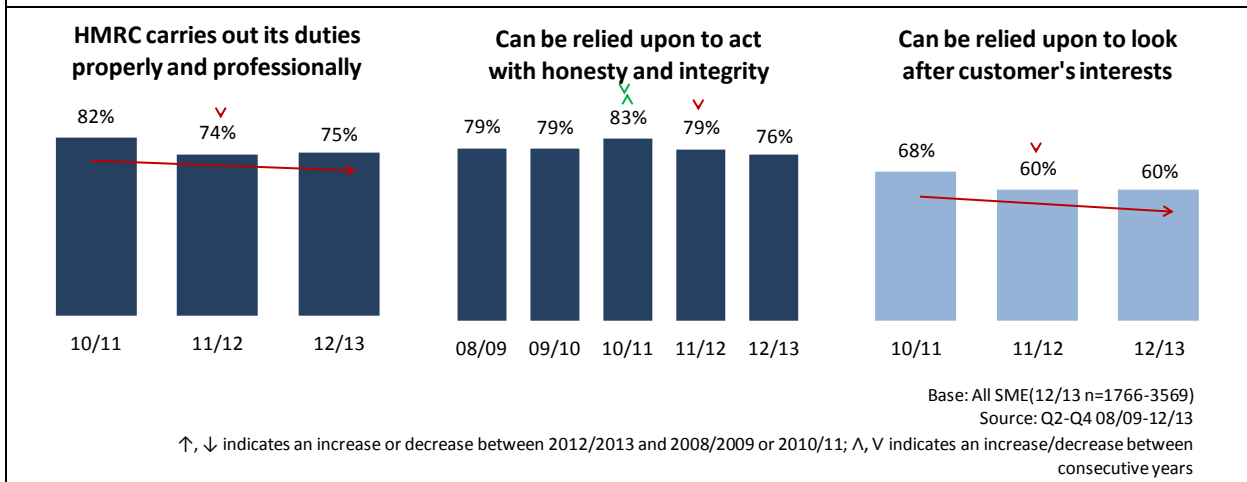
Overall favourability was the only favourability measure to have been asked since 2008/2009. In that time ratings had decreased steadily (59% in 2012/2013 down from 64% in 2008/2009), but no significant differences were identified between any two consecutive years.

The decrease was evident for customers who have had recent dealings with HMRC (60% in 2012/2013 down from 67% in 2008/2009).

3.3.7 Trust

Trust includes three measures; HMRC can be relied upon to carry out its duties properly and professionally, HMRC can be relied upon to act with honesty and integrity and HMRC can be relied upon to look after customer's interests (Chart 3.20). Whether HMRC can be relied upon to look after a customer's interests was identified as an area for improvement in the KDA.

Chart 3.20 Measures of trust



Ratings for all three trust measures decreased between 2010/2011 and 2012/2013. However, ratings for how well HMRC can be relied upon to act with honesty and integrity simply returned to the levels seen in 2008/2009 and 2009/2010 following an increase in 2010/2011.

Ratings for how well HMRC carries out its duties properly and professionally decreased from 82% in 2010/2011 to 75% in 2012/2013. This decrease took place between 2010/2011 and 2011/2012, with no further change in 2012/2013.

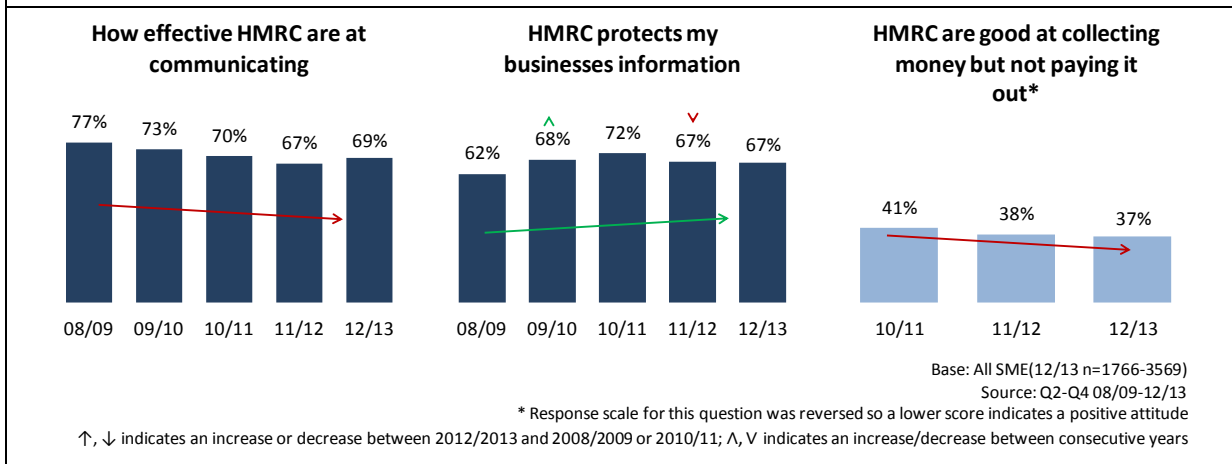
Ratings for how well HMRC can be relied on to act with honesty and integrity returned to 2008/2009 and 2009/2010 levels in 2011/2012 (79%) following an increase to 83% in 2010/2011. Ratings in 2012/2013 (76%) did not vary significantly from those in the previous year.

The final trust measure, HMRC can be relied upon to look after customer's interests, fell from 68% in 2010/2011 to 60% in 2012/2013. As with the first trust measure, this decrease took place between 2010/2011 and 2011/2012, with no further change in 2012/2013. There were no notable differences by subgroup and decreases across all types of SME were evident.

3.3.8 Communications and stories

The communications theme comprises two measures; effectiveness of communication and HMRC protects my business information, while the stories theme is made up of the measure 'HMRC are good at collecting our money but not at paying it out' (Chart 3.21).

Chart 3.21 Measures of communications and stories



Ratings for effectiveness of communication decreased from 77% in 2008/2009 to 69% in 2012/2013. This was identified as an area to maintain in the key driver analysis, so it is important that ratings do not decline further. Sole traders gave more positive ratings (73%), but otherwise there were no notable differences by subgroup.

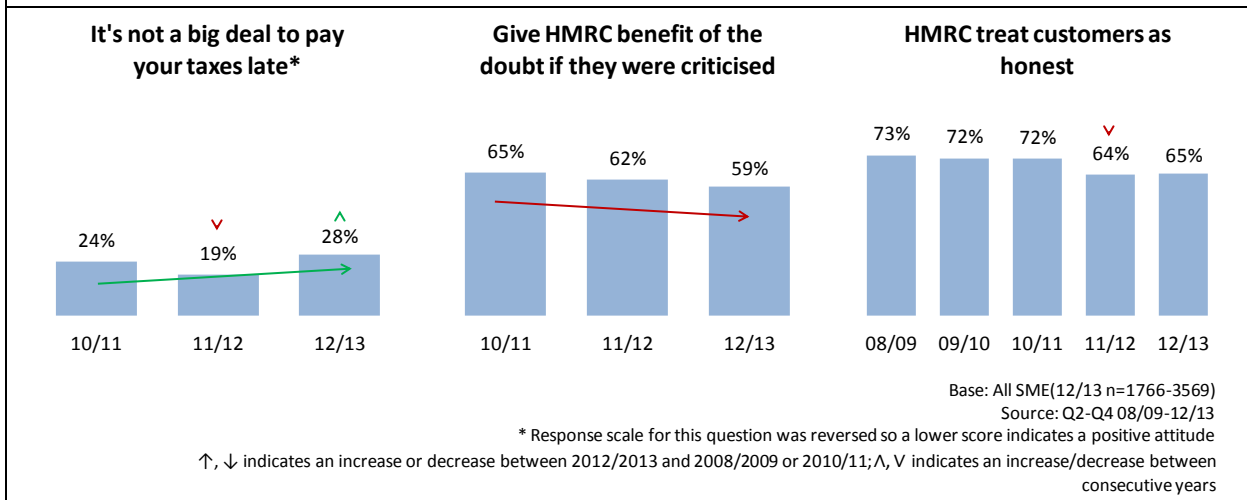
In contrast, over this same period ratings for HMRC protects my business information increased (67% up from 62% in 2008/2009, but down from a peak of 72% in 2010/2011).

Ratings for HMRC are good at collecting our money but not at paying it out have declined steadily between 2010/2011 (41%) and 2012/2013 (37%), with no significant change in consecutive years. The response scale for this question was reversed so a lower score indicates a positive attitude.

3.3.9 Support, compliance and other

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

Chart 3.22 Measures of support, compliance and other



Ratings for it's not a big deal to pay your taxes late decreased in positive way between 2010/2011 and 2011/2012, from 24% to 19%. However, they then increased in 2012/2013 (28%), so the overall position in 2012/2013 was less positive than at the 2010/2011 baseline, that is a higher proportion of customers agreed that it is not a big deal to pay taxes late. Larger organisations were more positive on this measure (only 8% of those with 100+ employees agreed, falling to 30% of sole traders). In line with the overall pattern, sole traders gave more positive (lower) ratings on this measure in 2011/2012, but reverted to a higher rating in 2012/2013. In contrast, SME with 100+ employees were less positive (gave a higher rating) in 2011/2012 than they did in 2010/2011 and 2012/2013.

Ratings for giving HMRC the benefit of the doubt if criticised decreased steadily between 2010/2011 (65%) and 2012/2013 (59%), although there was no significant change in consecutive years. No differences were evident by subgroup, so action to improve ratings in this area would need to be targeted at all SME customers.

The final reputation measure rated HMRC in terms of whether they treat their customers as honest. Between 2008/2009 and 2010/2011 ratings remained relatively stable, but between 2010/2012 and 2011/2012 they decreased from 72% to 64%, remaining at that level (65%) in 2012/2013. SME with fewer than 50 employees drove the decrease in 2011/2012 (65% down from 71% in 2010/2011).

4 Individuals

4.1 Executive summary

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

4.1.1 Dealings with HMRC

- Eight in ten Individuals (79%) had dealt with HMRC in the last year, similar to previous years.
- One in three Individuals (31%) had dealt with HMRC in the previous three months, which has remained broadly consistent over the last five years. One in five (20%) had dealings with Personal Taxes in the previous three months and slightly fewer (14%) had dealings with Benefits and Credits.

4.1.2 Personal Tax Customers

Nature of Dealings

- Most Personal Tax customers reported a variety of dealings about the tax selected for them as the focus of the interview¹¹. Seven in ten said that HMRC had made contact with them (74%) and this has increased from 67% in 2008/2009.
- When making contact, Personal Tax customers were likely to have used the telephone (80%) ahead of any other channel. However, there was an increase in usage of the internet (50%, up from 40% in 2008/2009).
- Among those using more than one channel of contact, the internet was most likely to be the first channel of contact (54%), followed by telephone (36%).

Dimensions of Customer Experience

- Eight in ten Personal Tax customers (79%) said their experience was very or fairly straightforward. One in ten Personal Tax customers (13%) gave a negative rating.

¹¹ For respondents dealing with more than one type of tax, one was selected at random as the subject of all further customer experience questions.

- Overall the expectation that dealing with HMRC would be straightforward was high (70%), although slightly lower than 2011/2012 (72%) and in general those expectations were met.
- Personal Tax customers were moderately positive across all dimensions of experience. Scores ranged from 60% for ease of getting in touch to 79% for how well staff treated you.
- Ratings for two customer experience dimensions fell between 2008/2009 and 2012/2013: ease of getting in touch (60% down from 75%) and how good HMRC was at keeping the customer informed about progress (62% down from 73%).
- Ratings for other dimensions of customer experience remained broadly consistent over the last five years.

Key Driver Analysis

Customers rate certain dimensions highly and others less well, and these ratings can indicate the areas in which improvements in service need to be made. However, resource often dictates that areas for improvement need to be prioritised. The aim of the key driver analysis was to understand the underlying drivers of ratings of straightforward¹². Regression was used to derive the relative influence of each dimension of experience on the overall measure, and provide insight into the precise areas that need to be prioritised for improvement in order to keep overall ratings of straightforward high.

- The key driver analysis identified two primary focuses for improvement, both of which were measures of simplicity: ease of understanding and ease of getting in touch.
- Ratings for ease of understanding had remained consistent between 2008/2009 and 2012/2013 (73%).
- Ratings for the ease of getting in touch with HMRC decreased between 2008/2009 (75%) and 2012/2013 (60%). This was the area which received the lowest ratings overall.
- Areas identified as a secondary focus for improvement were keeping the customer informed of progress, getting things right and the ability of staff. Ratings for keeping the customer informed decreased from 73% in 2008/2009 to 62% in 2012/2013, whereas ratings for the other two measures had remained consistent over time.

¹² "Straightforward" in this context refers to the single overall measure: how straightforward was your recent experience of dealing with Revenue and Customs?

4.1.3 Benefits and Credits Customers

Nature of Dealings

- Almost eight in ten Benefits and Credits customers reported that HMRC made contact with them (78%). This has fluctuated over the last five years between 75% and 78%. There were increases in Benefits and Credits customers making contact with HMRC (63%, up from 60% in 2008/2009) and in visiting the website (27%, up from 16% in 2008/2009).
- When making contact, Benefits and Credits customers were overwhelmingly likely to have used the telephone (93%) ahead of any other channel. However, there was an increase in usage of the internet (33%, up from 23% in 2008/2009).
- Among those using more than one channel of contact, the internet was most likely to be the first channel of contact (52%, up from 44% in 2011/2012), while usage of the telephone as the first channel had fallen (38%, down from 44% in 2011/2012).

Dimensions of Customer Experience

- More than eight in ten Benefits and Credits customers (85%) said their experience was very or fairly straightforward. One in ten Benefits and Credits customers (10%) gave a negative rating.
- Overall the expectation that dealing with HMRC would be straightforward was high (79%), and in general those expectations were met.
- Across most dimensions of experience, the majority of Benefits and Credits customers gave positive ratings. Two of the areas of simplicity were rated highly: ease of understanding (82%) and ease of completing the process (79%). The third rating of simplicity (ease of getting in touch) received lower ratings (64%) and these had declined since 2008/2009 (72%).
- Two areas of responsiveness were also rated highly: how well customers were treated by staff (87%) and how good HMRC were at giving the customer all the information they needed (83%). The rating for keeping the customer informed was lower (73%) and had declined since 2008/2009 (79%).
- The two measures of reliability and speed added in 2011 (ability of staff and acceptability of the time taken) were each rated positively by at least eight in ten Benefits and Credits customers in 2012/2013, unchanged from the previous year. There was an increase in the final reliability and speed measure (getting things right), from 75% in 2008/2009 to 78% in 2012/2013.

Key Driver Analysis

- The key driver analysis identified four areas for improvement. Two of these were measures of simplicity. Ease of completing the process was a primary focus for improvement. Ratings on this measure were consistent between 2008/2009 and 2012/2013 (79%). Ease of getting in touch was a secondary focus for improvement. Ratings on this measure were the lowest of all measures for Benefits and Credits customers and had decreased from 72% in 2008/2009 to 64% in 2012/2013.
- Two further areas identified for secondary improvement were keeping the customer informed about progress and getting things right. Ratings for keeping the customer informed had decreased from 79% in 2008/2009 to 73% in 2012/2013. In contrast, ratings for getting things right had increased from 75% in 2008/2009 to 78% in 2012/2013.

4.1.4 Reputation

- Individuals reported a moderate level of familiarity with HMRC, and while the majority knew at least a little (76%), only six percent of Individuals felt they knew a lot about HMRC.
- Ratings across a number of fairness, favourability and trust reputation measures decreased between 2010/2011 and 2012/2013, with the remainder staying at constant levels. There were no improvements.
- There were also decreases across a number of the other reputation measures; with the only increase in agreement that HMRC protects my personal information.
- Key driver analysis was also performed to derive the relative importance of each of the reputation measures on overall favourability and to find out what may help to reverse this decrease.
- Trust in HMRC to be fair and effectiveness of communication were found to be particularly dominant in the model that explored overall favourability, and due to their relatively poor performance rating these were both identified as key areas for improvement. Ratings for trust in HMRC to be fair had remained reasonably consistent at slightly fewer than six in ten (56%). Ratings for effectiveness of communication had decreased from 72% in 2008/2009 to 58% in 2012/2013.
- A further area identified as being a primary target for improvement was in looking after the customer's interests. Ratings in this area had decreased from 66% in 2010/2011 to 62% in 2012/2013.
- The perception that HMRC is good at collecting money but not paying out was identified as a secondary area for improvement, although ratings improved from 49% agreeing in 2010/2011 to 42% agreeing in 2012/2013 (the scale on this question is reversed).

4.2 Dealings with HMRC

4.2.1 The nature of dealings

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

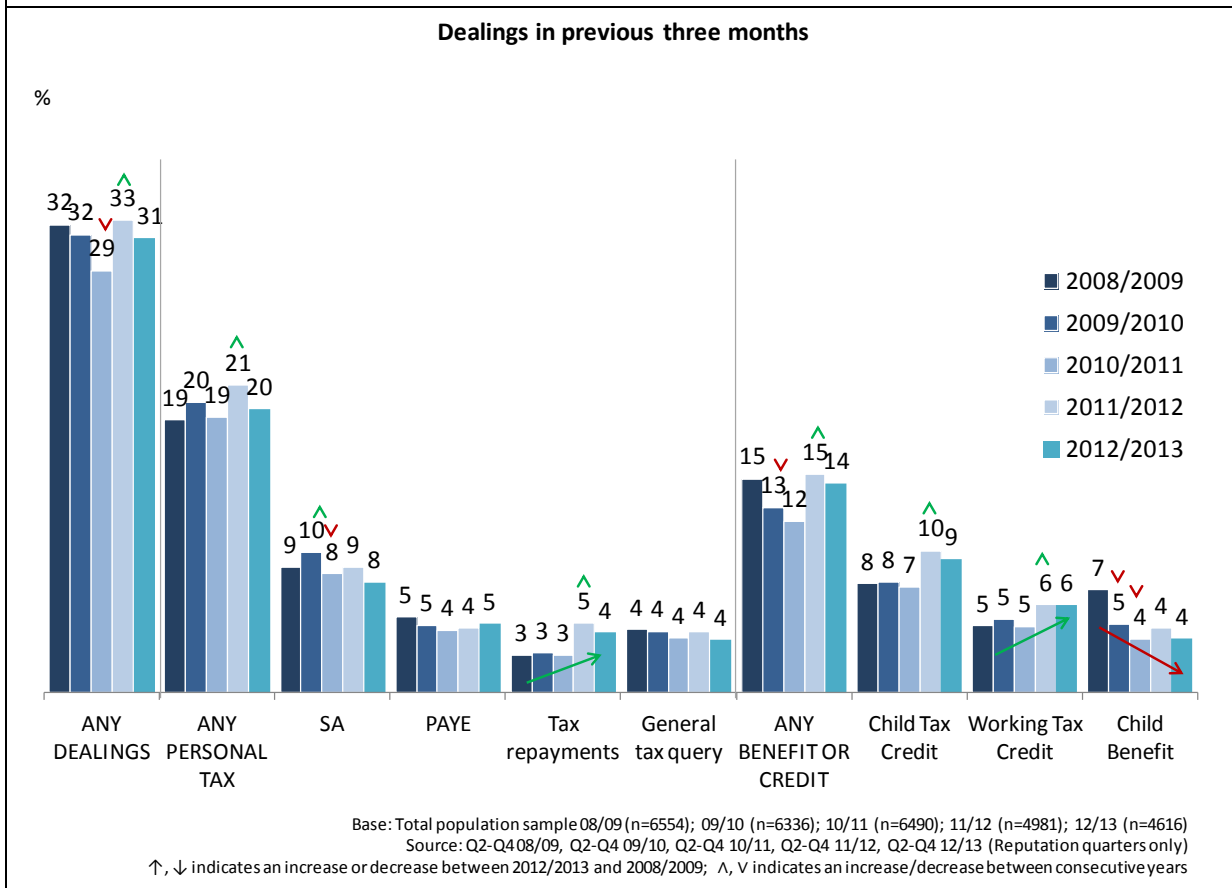
4.2.2 Taxes dealt with

Eight in ten Individuals (79%) had dealt with HMRC in the last year. This is similar to the finding in previous years.

As Chart 4.1 shows, one in three Individuals (31%) had dealt with HMRC in the previous three months. This has remained at a consistent level over the last five years, with the exception of 2010/2011 when it dipped to 29% before recovering the following year. Dealings with Personal Taxes remained broadly consistent at around one in five Individuals, whereas dealings with Benefits and Credits decreased between 2008/2009 and 2010/2011 before recovering to baseline levels in 2011/2012 and remaining at that level in 2012/2013 (14%).

Between 2008/2009 and 2012/2013 there were increases in dealings with Tax Repayments (5%, up from 3%) and Working Tax Credit (6%, up from 5%) but decreases in dealings with Child Benefit (4%, down from 7%).

Chart 4.1 Products dealt with in the last three months



4.3 Customer Experience - Personal Tax Customers

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

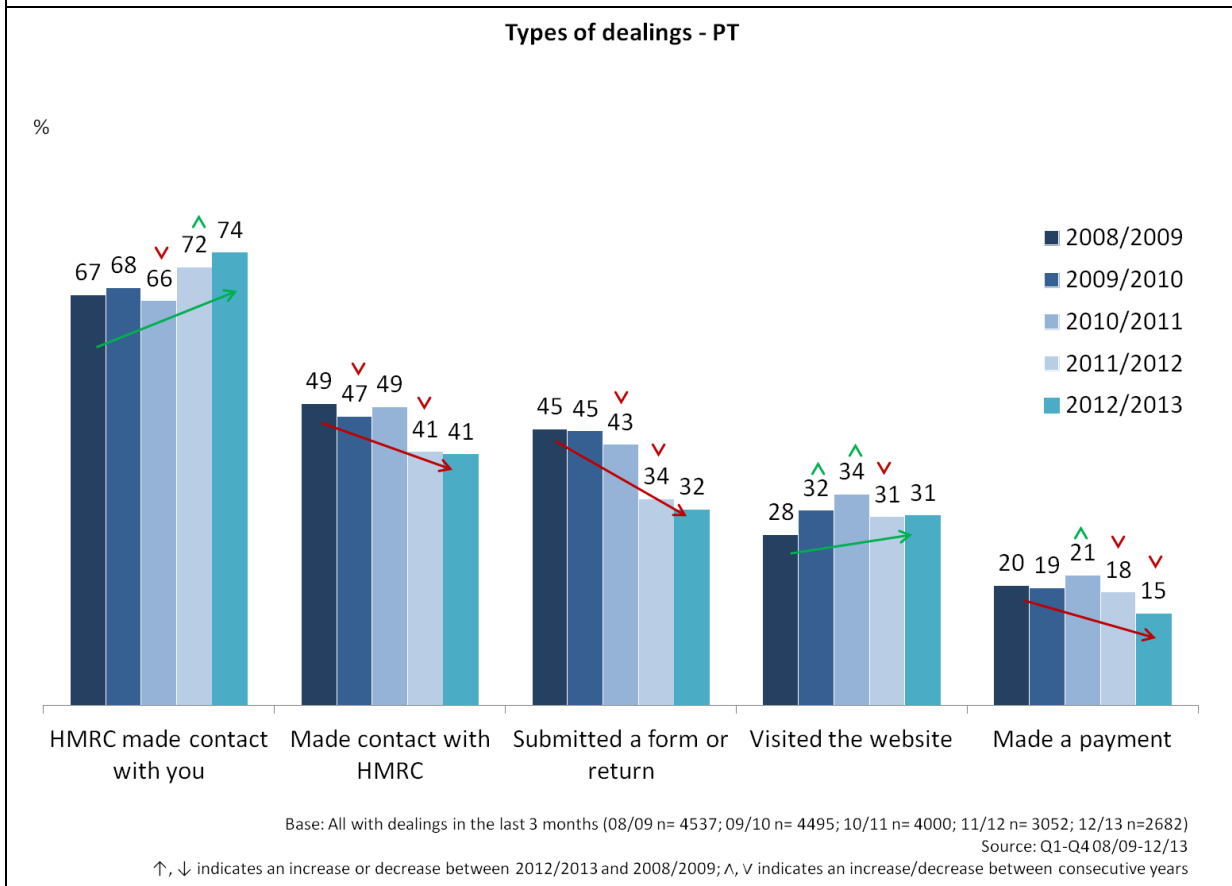
4.3.1 Types of dealings for Personal Tax customers

Most Personal Tax customers who had dealt with HMRC in the previous three months reported a variety of dealings about the tax selected for them (Chart 4.2). Three in four Personal Tax customers (74%) said that HMRC had made contact with them and this has increased from 67% in 2008/2009. Four in ten (41%) reported making contact with HMRC although this had decreased from 49% in 2008/2009.

Submission of a form or return decreased between 2008/2009 and 2012/2013 (32% down from 45% in 2008/2009), and in particular between 2010/2011 and 2011/2012. Three in ten (31%) Personal Tax customers with dealings in the last three months had visited the website, still up from 28% in 2008/2009, despite a

small decrease since 2010/2011 (34%). Fifteen percent of Personal Tax customers reported making a payment to HMRC, which was a decrease from 2008/2009 levels (20%).

Chart 4.2 Types of dealings in the last three months – Personal Taxes



4.3.2 Channels of contact for Personal Tax customers

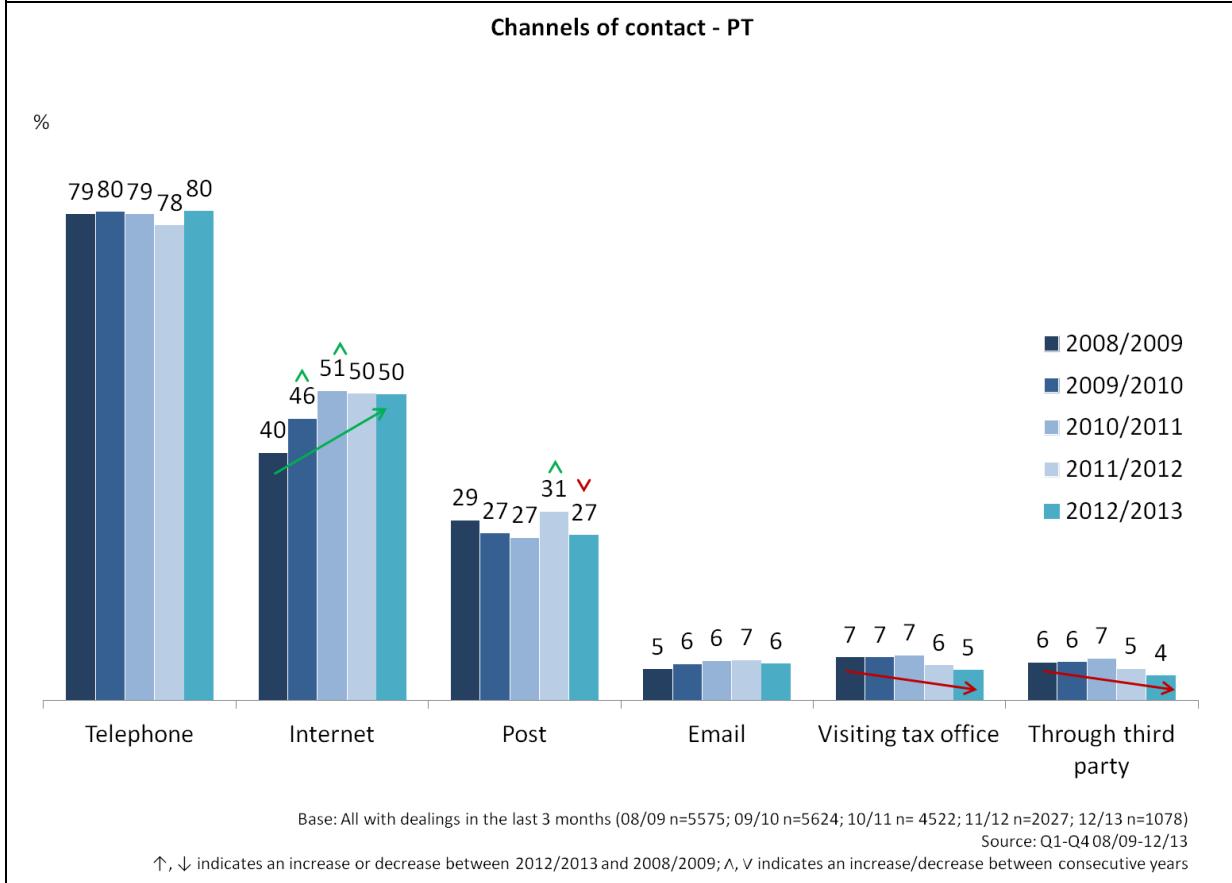
Methods of contact can also influence the customer experience. Only those Personal Tax customers who reported *making* contact with HMRC were asked which channel they used. Among those with dealings in the previous three months, 41% reported contacting HMRC in relation to their dealing.

When making contact, Personal Tax customers continued to be most likely to have used the telephone (80%, Chart 4.3). Contact through the website increased between 2008/2009 (40%) and 2010/2011 (51%), but has since remained at this level (50% in 2012/2013).

Just under three in ten Personal Tax customers (27%) had written a letter as part of their dealing, returning to 2010/2011 levels after a small increase in 2011/2012 (to 31%). Other channels of contact continued to be used at

relatively low levels, with declines between 2008/2009 and 2012/2013 for both visiting a tax office and contact through a third party.

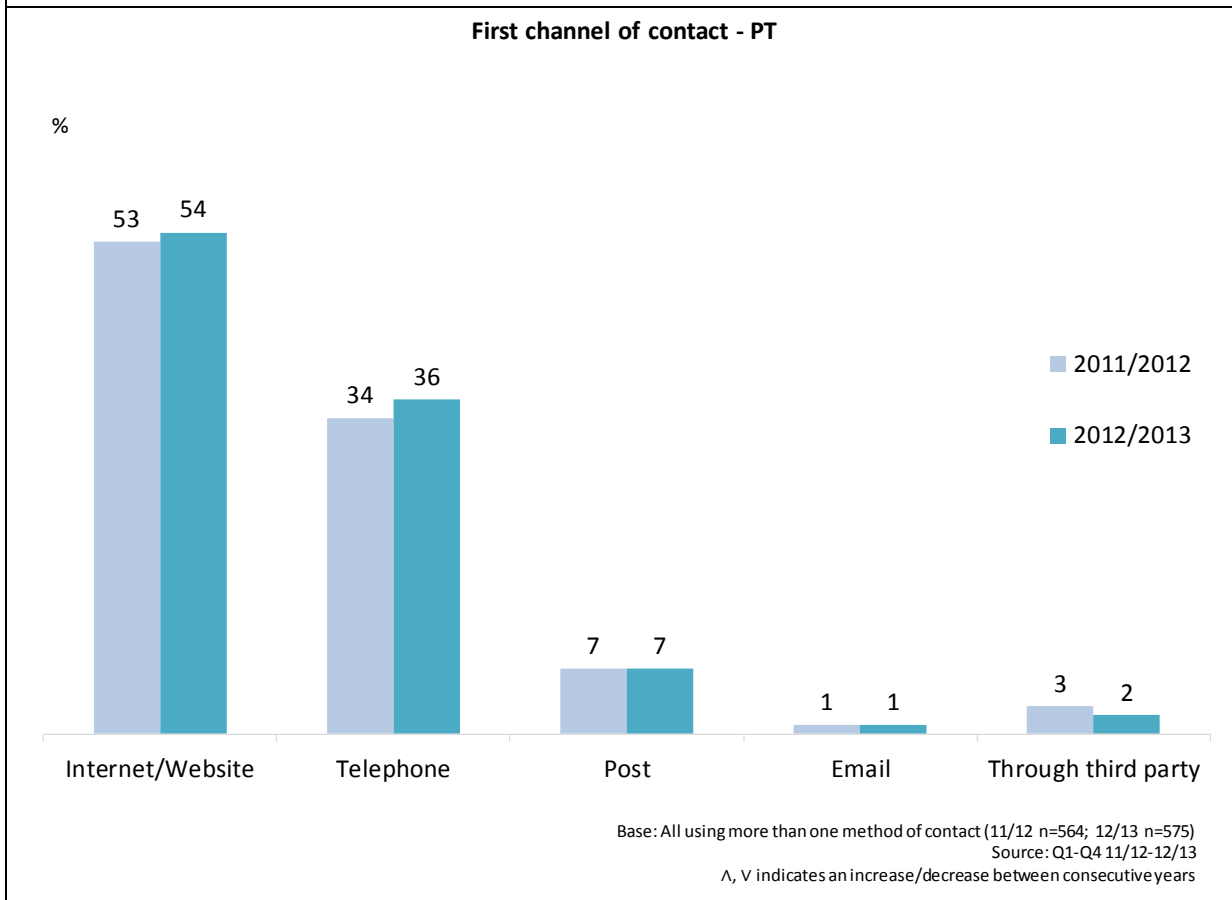
Chart 4.3 Channels of contact in the last three months – Personal Taxes



Among those making contact, just over half of Personal Tax customers (55%) used more than one method, which was an increase from 51% in 2008/2009. Where only one method was used, this was most likely to be the telephone (73%), which has consistently been the most used method since 2008/2009. For 13% of Personal Tax customers who used only one method that contact was made via the internet, while 12% made their only contact by post.

A series of new questions were added in 2011/2012 to put dealings in further context. Among Personal Tax customers who had used more than one method, the first channel used was most likely to be the internet (54%), followed by the telephone (36%). Both of these are in line with 2011/2012 (Chart 4.4).

Chart 4.4 First channel of contact – Personal Taxes



The reason for using an alternative channel most frequently mentioned was that they did not find or receive the information they required at the first attempt (27%). More than one in ten said they changed to an easier or preferred method of contact (15%), were seeking confirmation or reassurance (14%) or were directed to use a different method by HMRC or the website (14%). Slightly fewer said they only used the website for information before using a main method (11%) or they were unable to make contact with their first method (10%). Two thirds of Personal Tax customers that used at least two channels (66%) said that the number of times they were in contact with HMRC was acceptable, which had not changed since 2011/2012 (70%).

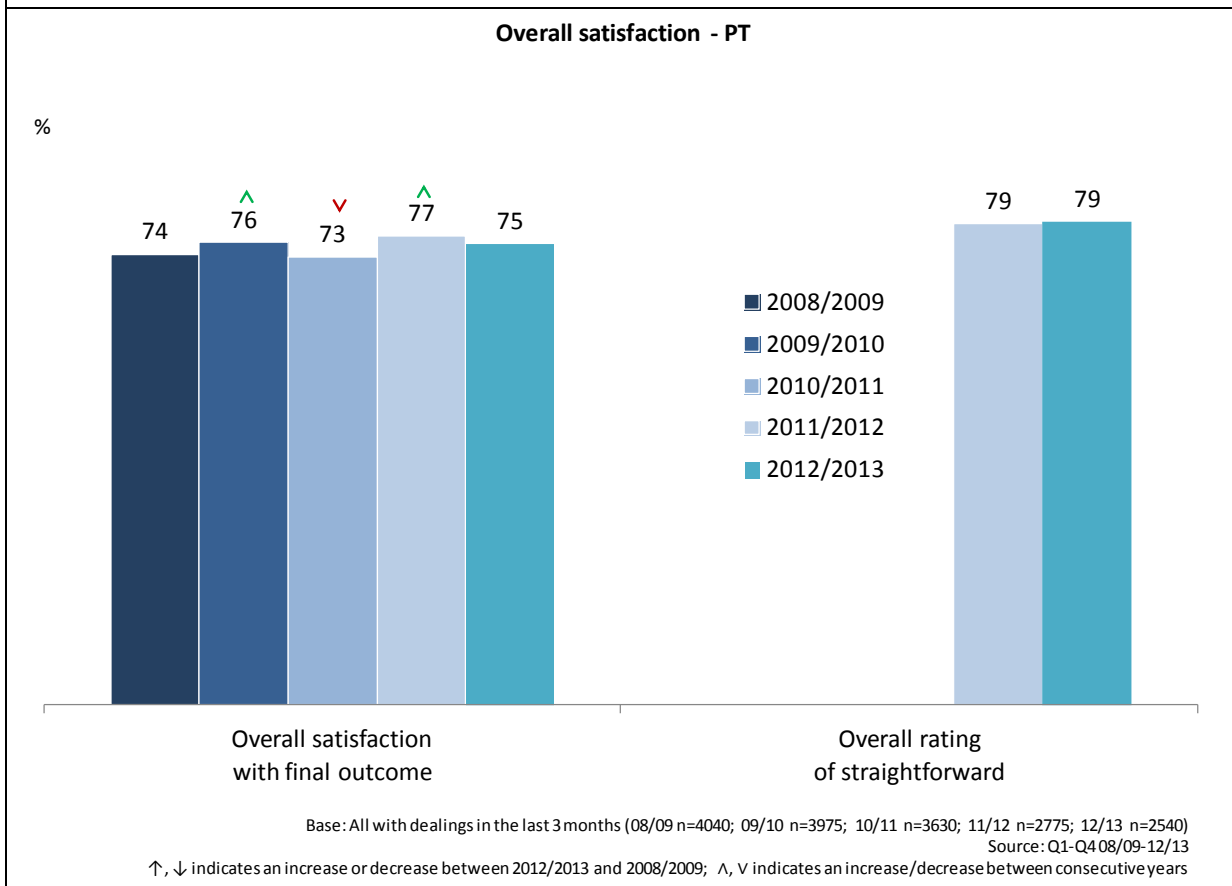
4.3.3 Overall ratings of Personal Tax customer experience

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

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

Prior to Q4 2010/2011 rather than rate how straightforward their dealing was, customers were asked to rate their overall experience, so the 2011/2012 measure of straightforward forms a new baseline.

Chart 4.5 Overall ratings of customer experience – Personal Taxes

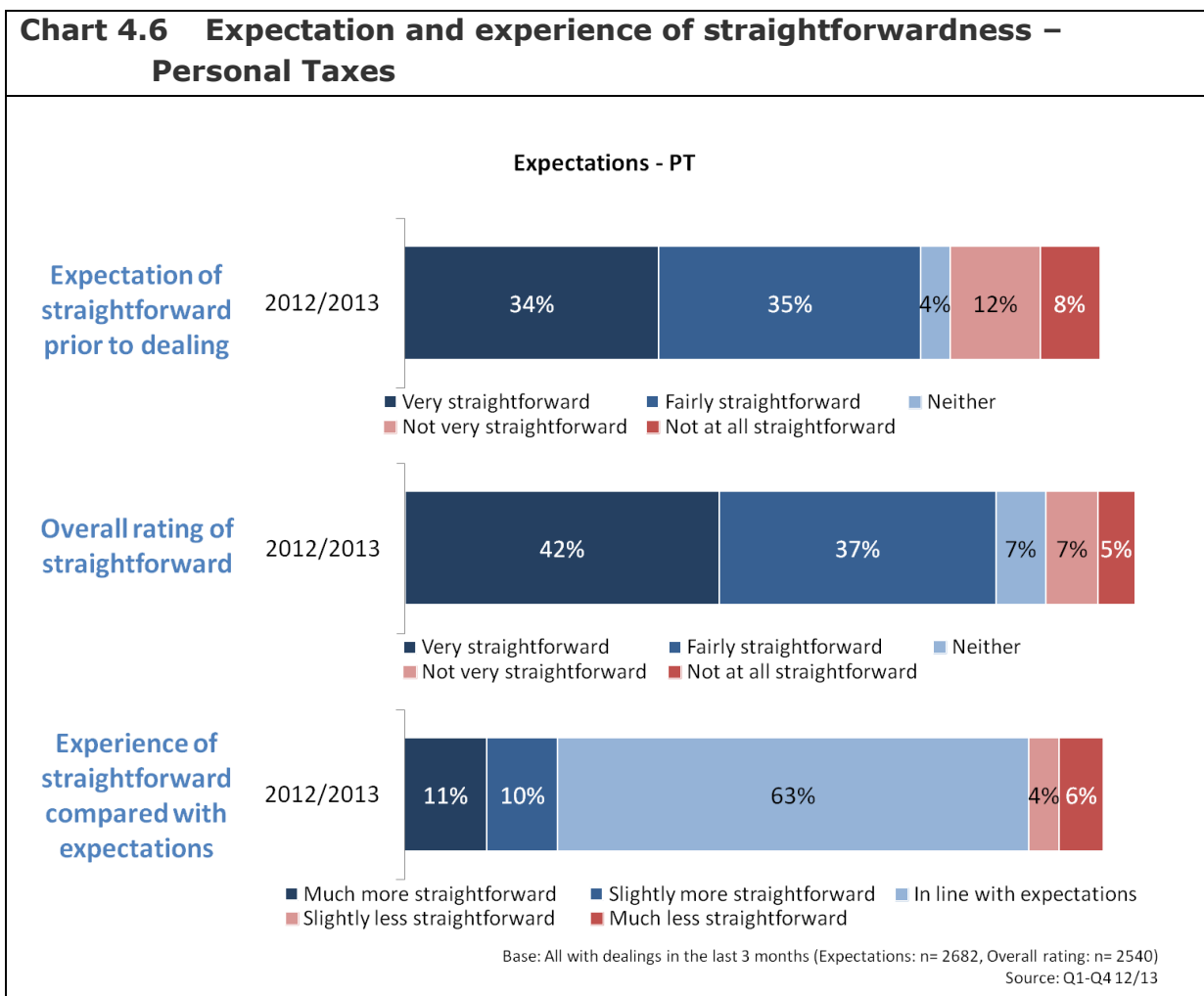


Eight in ten Personal Tax customers (79%) said their experience was very or fairly straightforward, unchanged from 2011/2012. Satisfaction with the final outcome of the dealing was rated as highly as overall straightforwardness, with 75% of Personal Tax customers very or fairly satisfied. Aside from a slight drop in 2010/2011, this had remained consistent since 2008/2009.

Personal Tax customers who were dealing with tax paid from their pension were more likely to rate their experience as straightforward (84%), while those dealing with a general query were less likely to do so (72%).

A new question was added to the survey in Q2 2011/2012 asking customers to state what their expectation of straightforwardness was before their dealings began (this question was asked before the more detailed experience questions). In a continuation of the previous line of questioning, customers were asked whether their experience was more or less straightforward or in line with expectations, but the response scale changed from a three-point to a five-point scale.

Chart 4.6 shows both of these measures alongside the overall rating of straightforwardness for Personal Tax customers in 2012/2013. Expectations of straightforwardness fell slightly, from 72% in 2011/2012 to 70% in 2012/2013, but the overall rating and experience in relation to expectations remained consistent.



In line with 2011/2012, six in ten (63%) reported that their experience was in line with expectations, with Personal Tax customers twice as likely to report that their experience was more straightforward (21%) than less so (10%) compared with expectations.

There was a strong relationship between the rating of straightforwardness against expectations and overall rating of straightforwardness. Among Personal Tax customers who rated their experience very or fairly straightforward, one in four (27%) thought that experience was more straightforward than expected, compared with only three per cent who rated their experience neutrally or not straightforward. Of those who rated overall straightforwardness neutrally or negatively, 35% said it was less straightforward than expected.

4.3.4 Dimensions of Personal Tax customer experience

Whilst the overall ratings of customer experience give a general picture, it is essential to look in more detail at particular dimensions of the experience in order to ascertain what may be driving customer ratings and to identify key areas for action. The dimensions of customer experience were introduced in section 1.6.2.

4.3.5 Relative ratings of Personal Tax customer experience and changes over time

Chart 4.7 gives an overview of the relative ratings of the nine dimensions of experience and changes between the 2008/2009 baseline and 2012/2013.

The arrows show where there has been a significant change in performance from 2008/2009 to 2012/2013 and the arrow heads show where there was a significant change in the measure between two consecutive years. Additionally, the colour coding shows relative levels of positive scores (very or fairly good etc.) where darker shading represents a 2012/2013 score above the median whereas lighter shading represents a score below the median of the key drivers (section 4.3.6).

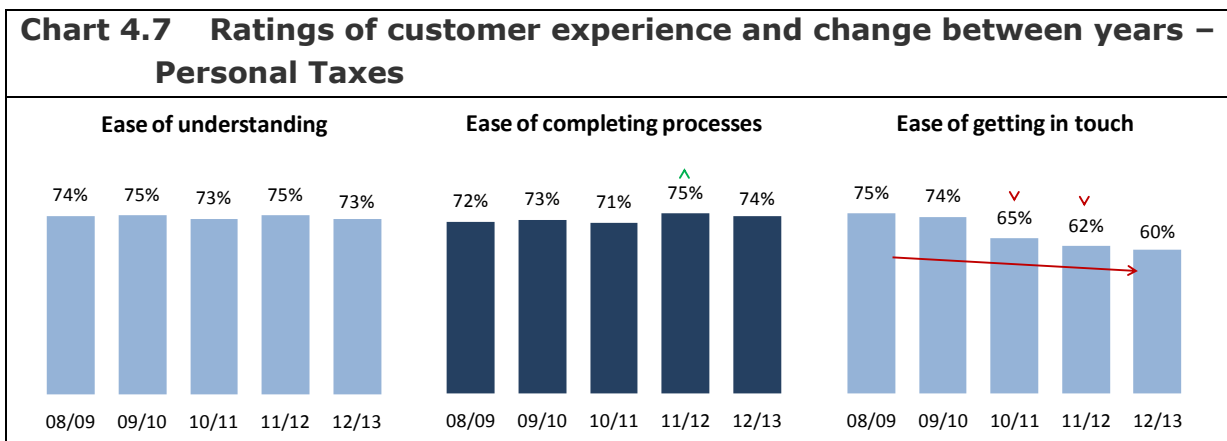
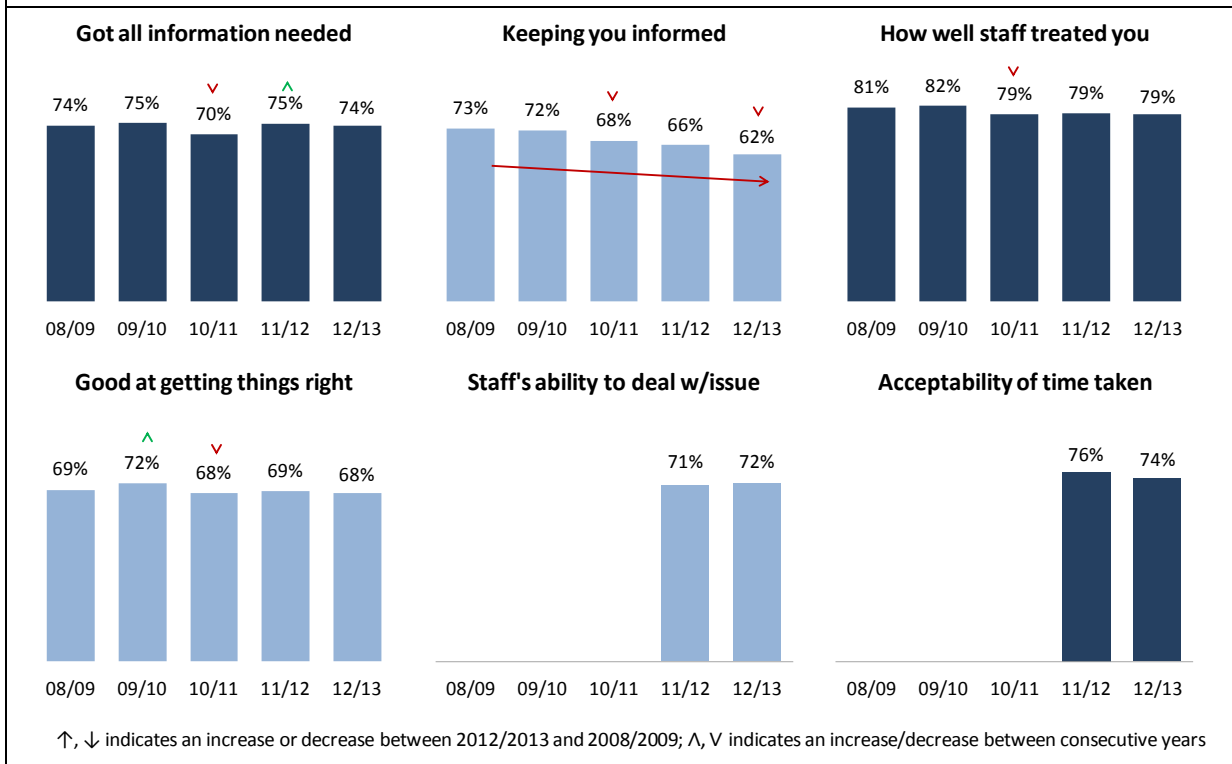


Chart 4.7 Ratings of customer experience and change between years – Personal Taxes

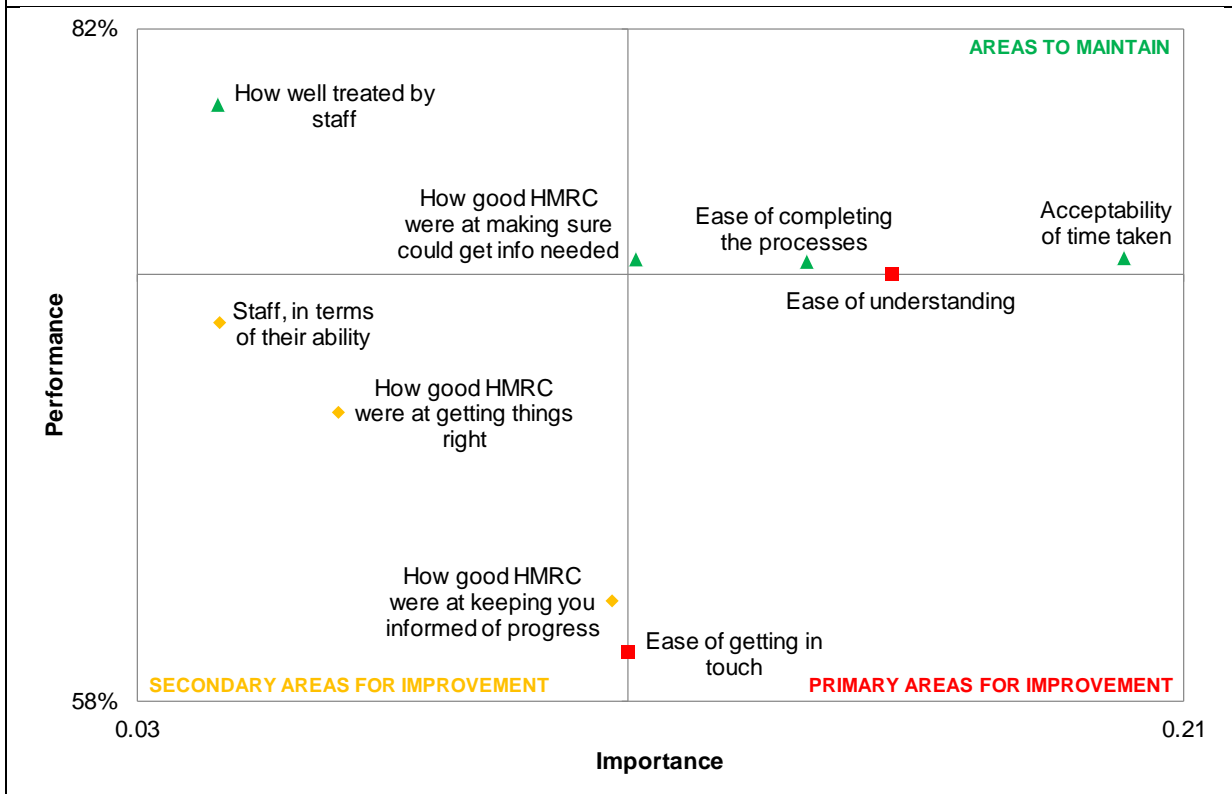


This chart shows that the majority of Personal Tax customers were moderately positive about HMRC across all dimensions of experience. Where there was change over the longer term (between 2008/2009 and 2012/2013), this was a downward trend, but there were also some fluctuations between consecutive years. More detailed findings for the different dimensions are discussed in sections 4.3.7 to 4.3.9.

4.3.6 Key driver analysis for Personal Tax customers

Key driver analysis was carried out using multivariate analysis of the overall rating of straightforwardness. The final analysis plots importance against performance in a quadrant diagram (Chart 4.8) with relative importance in driving the overall straightforward rating on the horizontal axis and performance on the vertical axis. A more detailed description of key driver analysis is in Appendix A.

Chart 4.8 Key drivers of straightforwardness – Personal Taxes ¹³



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

Performance scores were generally high in areas that had a high influence on the overall rating of straightforward: acceptability of the time taken to reach a final outcome, ease of completing the processes and getting the information needed. These areas need to be maintained to keep the overall straightforward rating high.

Two areas were identified as being primary areas to target for improvement, due to their relatively prominent level of importance but lower performance rating. However, these were positioned in very different places on the map and were each on a different border with another quadrant. Ease of understanding was at the very top of the lower right quadrant, so performance is not a strong concern, although improvements could still be made. This is especially true as relative importance of ease of understanding is quite high. Ease of getting in touch had a much lower level of importance, so it could almost be classified as a secondary

¹³ R² is 0.59 meaning that 59% of the variance can be accounted for in the model.

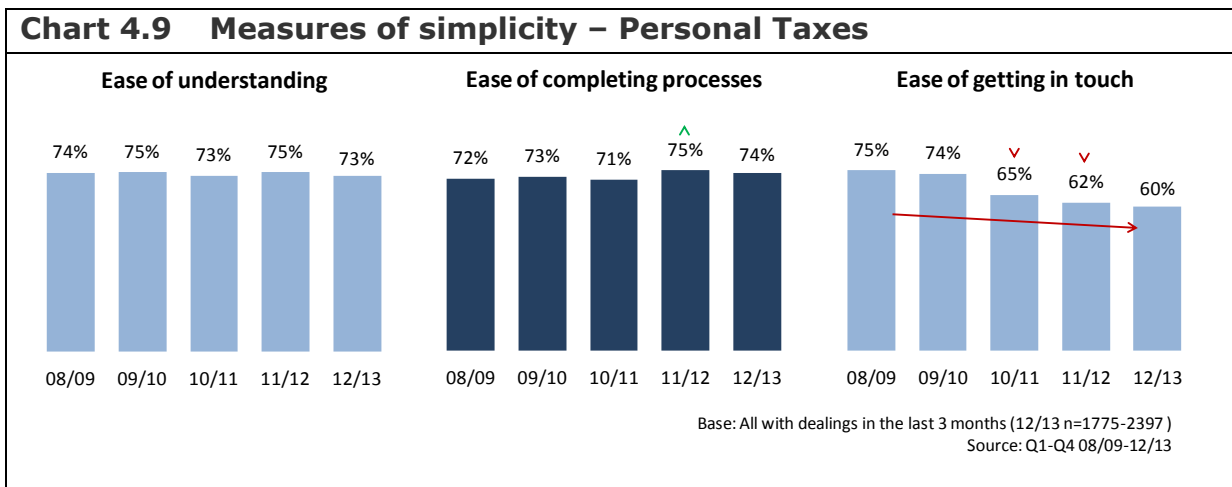
area for improvement. However, this measure received the lowest rating overall so there is more scope for improvement.

Three further factors were secondary areas for improvement. These areas, which are rated lower in terms of importance, are ability of staff in dealing with the issue, getting things right and keeping the customer informed about progress.

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

4.3.7 Simplicity for Personal Tax customers

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



Three-quarters of Personal Tax customers felt that it was easy to understand what they needed to do (73%). Ratings for this measure had not changed over time. This was borderline for being a key area for improvement as the key driver analysis placed it at the very top of the bottom right quadrant, so while improvements could be made, it would not take much to shift it to the top right quadrant. There was little variation in ratings for ease of understanding what to do by subgroup.

Ease of completing the processes was rated positively by 74% of Personal Tax customers. This was identified as a strong area of performance to maintain in the key driver analysis. There was an increase in ratings for ease of completing

the processes between 2010/2011 (71%) and 2011/2012 (75%) but this was unchanged in 2012/2013.

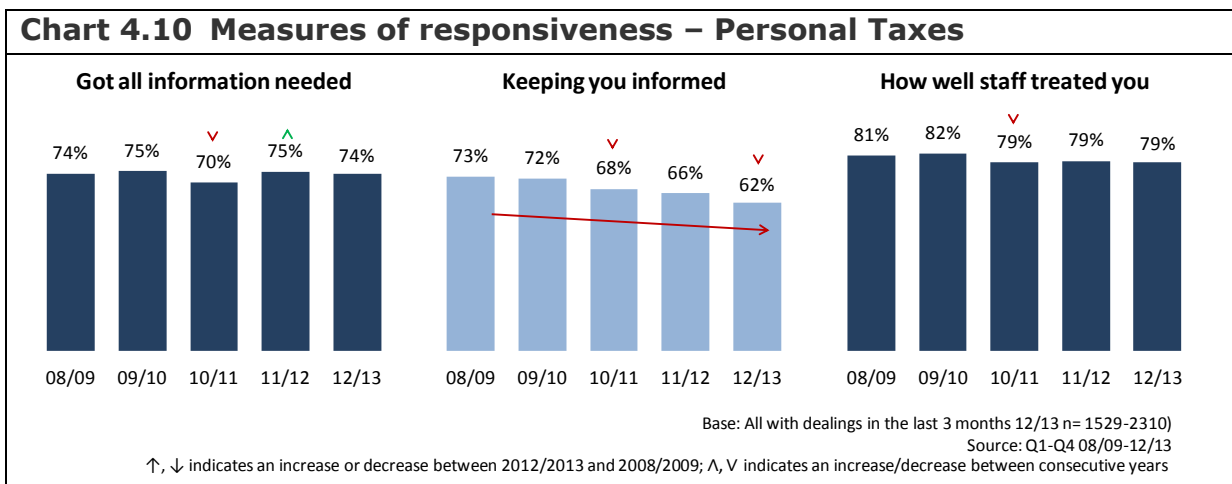
Ratings for the ease of getting in touch with HMRC decreased between 2008/2009 (75%) and 2012/2013 (60%), although the change between 2011/2012 and 2012/2013 was not significant. This was identified as a primary area to improve in the key driver analysis, and was the measure with the lowest performance score overall.

Ratings for ease of getting in touch decreased for dealings with a number of Personal Tax products between 2008/2009 and 2012/2013, including PAYE taken from wages (from 74% to 60%), PAYE taken from pension (from 79% to 62%), Self Assessment (from 76% to 54%), tax repayments (from 80% to 60%) and a general query (from 72% to 60%).

To understand the results further we can look at whether ratings differ for different groups. There were few differences for ease of getting in touch but those who used at least three channels of contact were less positive (47%).

4.3.8 Responsiveness for Personal Tax customers

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



With the exception of a dip in 2010/2011, ratings for how good HMRC were at making sure the customer could get all the information needed have remained at a steady three in four (74% in 2012/2013) since 2008/2009. This was identified in the key driver analysis as an area to maintain. How well the customer was

treated was also an area of strong performance, with 79% giving a positive rating. Aside from some minor fluctuation, ratings on this measure have remained relatively consistent over time.

How good HMRC was at keeping the customer informed about progress was rated highly by six in ten Personal Tax customers in 2012/2013 (62%), but this had decreased from 73% in 2008/2009. There were significant decreases between 2009/2010 and 2010/2011 and between 2011/2012 and 2012/2013.

The overall decrease between 2008/2009 and 2012/2013 was driven by dealings with PAYE taken from pension (63% down from 77% in 2008/2009), SA (62% down from 77% in 2008/2009) and general queries (54% down from 66% in 2008/2009). Dealings with general queries (54%) were rated significantly lower than the overall rating.

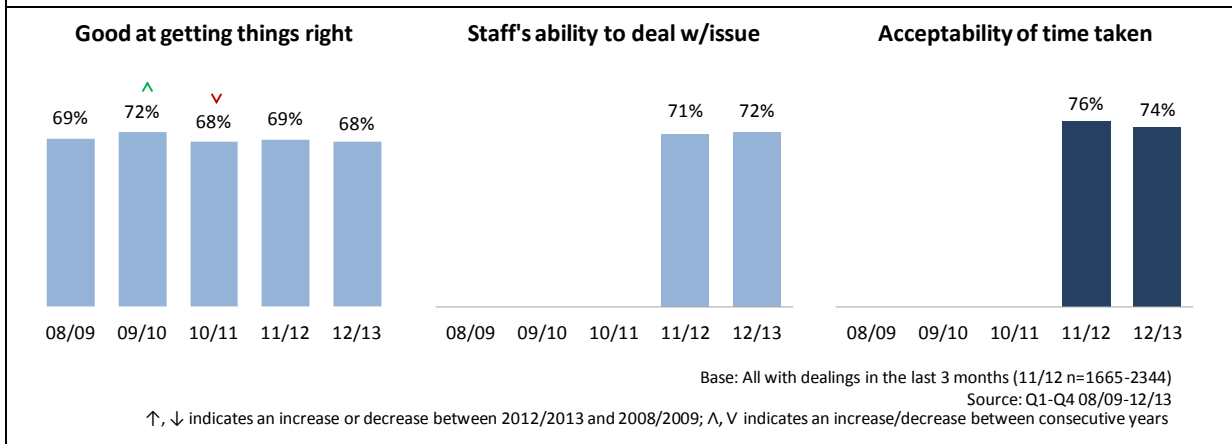
To understand the results further we can look at whether ratings differ for different groups. Personal Tax customers whose dealings involved making contact with HMRC were less positive about being kept informed (54%), particularly those who made contact by post (45%) or who used at least three channels of contact (39%).

4.3.9 Reliability and Speed for Personal Tax customers

Ratings of reliability and speed included how good HMRC were at getting things right, the staff in terms of their ability to deal with the issues and the acceptability of the time taken to reach a final outcome. The measures for both staff's ability to deal with the issue and the acceptability of time taken were added to the survey in 2011/2012.

Being good at getting things right and staff's ability to deal with their issue were both identified as secondary areas for improvement in the key driver analysis.

Chart 4.11 Measures of reliability and speed – Personal Taxes



Ratings Personal Tax customers gave for how good HMRC were at getting things right remained consistent between 2008/2009 and 2012/2013 (68%), albeit with marginal changes in the intervening years. Dealings with tax paid from pension were rated higher (74%) than average. Few differences were detected between subgroups, but those whose dealing involved making contact with HMRC were less positive (63%), particularly those whose dealing had involved using at least three channels of contact (48%).

Ratings for both new measures remained at consistent levels in 2012/2013 in comparison with 2011/2012. Staff's ability to deal with the issue was rated positively by 72% of Personal Tax customers, while acceptability of time taken to reach a final outcome was rated positively by 74%. The former measure was identified as a secondary area for improvement while the latter was identified as an area to maintain in the KDA.

There was little difference between subgroups in their ratings of the staff's ability, but those who made contact by post (62%) and those who used three or more channels of contact (58%) were less positive.

4.4 Customer Experience – Benefits and Credits Customers

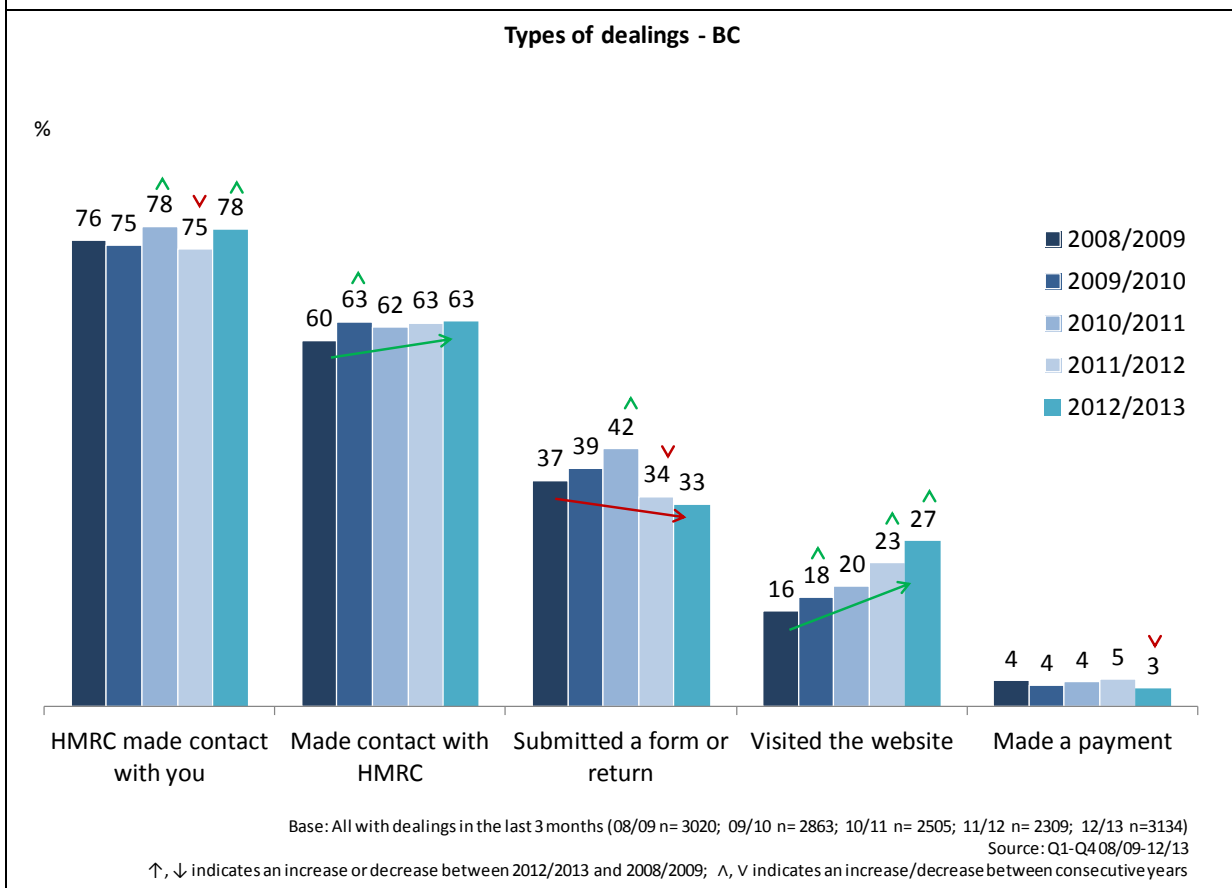
Section 4.4 describes the customer experience for those who have dealt with a Benefit or Credit. For respondents dealing with more than one type of tax, credit or benefit, one was selected at random as the subject of the customer experience questions.

4.4.1 Types of dealings for Benefits and Credits customers

Most Benefits and Credits customers who had dealt with HMRC in the previous three months reported a variety of dealings about the tax selected for them¹⁴ (Chart 4.12). Almost eight in ten Benefits and Credits customers (78%) reported that HMRC made contact with them, returning to 2010/2011 levels after decreasing to 75% in 2011/2012. Slightly fewer said that they had made contact with HMRC (63%), which had remained at a consistent level since 2009/2010 after an increase from 60% in 2008/2009.

Submission of a form or return had decreased since 2008/2009 (33%, down from 37%) reversing an upward trend between 2008/2009 and 2010/2011. A quarter (27%) of Benefits and Credits customers with dealings in the last three months had visited the website, up from 16% in 2008/2009, continuing a steady pattern of increase year on year. As in previous years, a relatively small proportion of Benefits and Credits customers made a payment in 2012/2013 (3%).

Chart 4.12 Types of dealings in the last three months – Benefits and Credits



¹⁴ For respondents dealing with more than one type of tax, one was selected at random as the subject of all further customer experience questions.

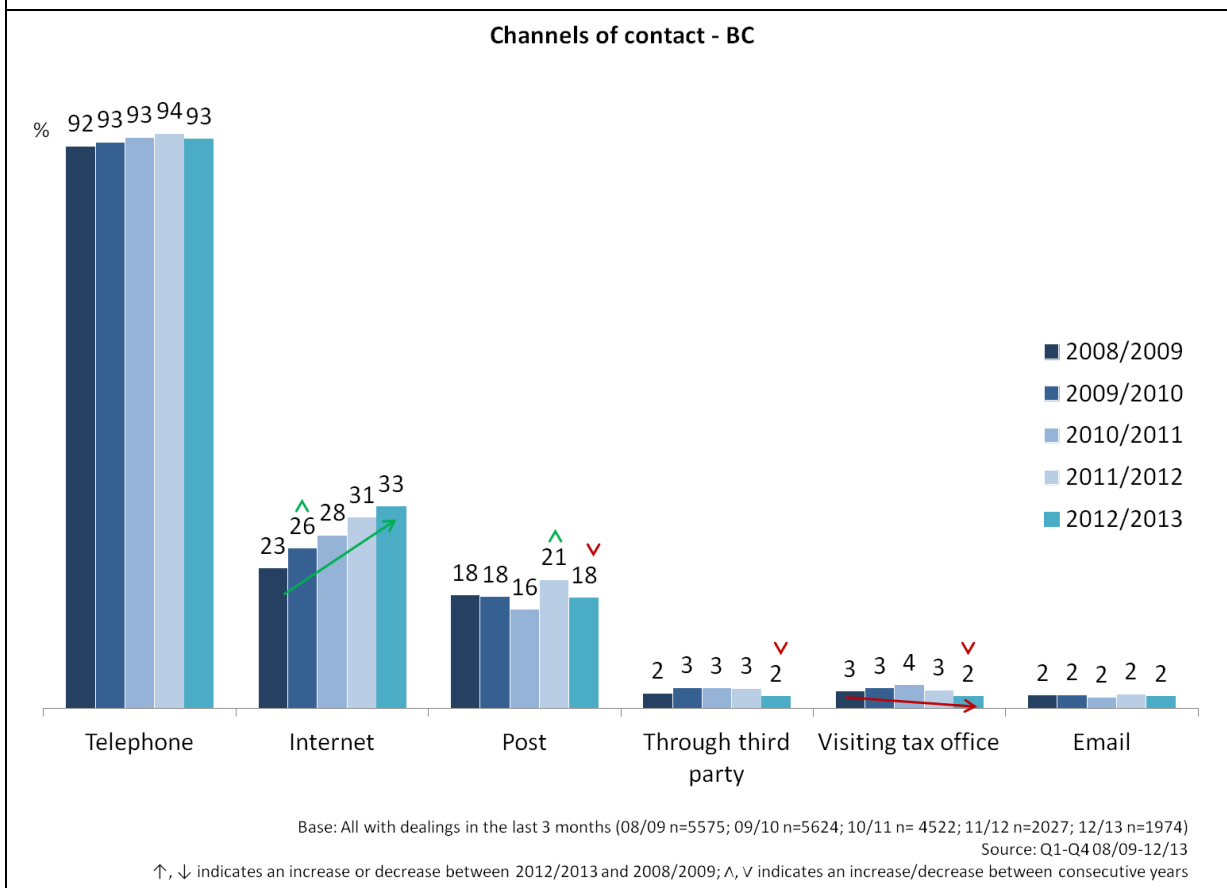
4.4.2 Channels of contact for Benefits and Credits customers

Methods of contact can also influence the customer experience. Only those who reported *making* contact with HMRC were asked which channel they used. Among those with dealings in the previous three months, 63% of Benefits and Credits customers reported contacting HMRC in relation to their dealing.

When making contact, Benefits and Credits customers were most likely to have used the telephone (93% of those making contact). This is in line with previous years (Chart 4.13).

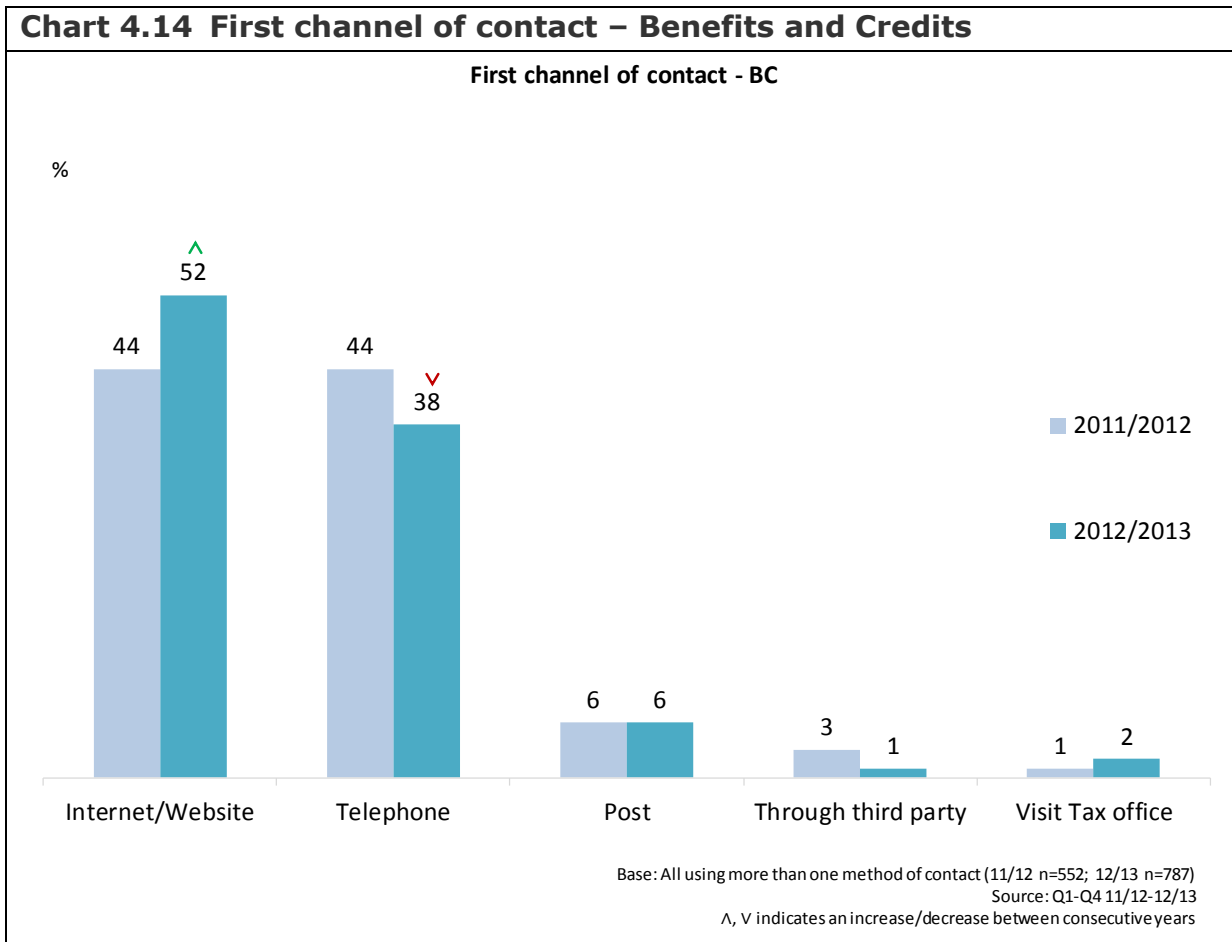
Other channels of contact were utilised at much lower levels. One in three Benefits and Credits customers making contact (33%) had used the internet as part of their dealing, continuing the upward trend since 2008/2009 (23%). Two in ten (18%) sent a letter, which is a return to baseline levels following an increase to 21% in 2011/2012. Only two percent of Benefits and Credits customers making contact with HMRC reported doing so through a third party, by visiting a tax office or by email.

Chart 4.13 Channels of contact in the last three months – Benefits and Credits



Among those making contact, 41% of Benefits and Credits customers used more than one method, increasing from 33% in 2008/2009. Where only one method was used, this was most likely to be the telephone (93%).

A series of new questions were added in 2011/2012 to put dealings in further context. Among customers who had used more than one method, the first channel used was most likely to be the internet (52%), followed by the telephone (38%). This is a change from 2011/2012, when both these channels were equally likely to be the first form of contact (Chart 4.14).



The reason for using an alternative channel mentioned most frequently was that they did not find or receive the information they required at the first attempt (19%). Slightly fewer said they only used the first method to get information before using main method (17%), switched to an easier or their preferred method of contact (16%) or they were directed to another method by HMRC or the website (12%). Three in four customers who used at least two channels (76%) said that the number of times they were in contact with HMRC was acceptable, which had not changed since 2011/2012 (81%).

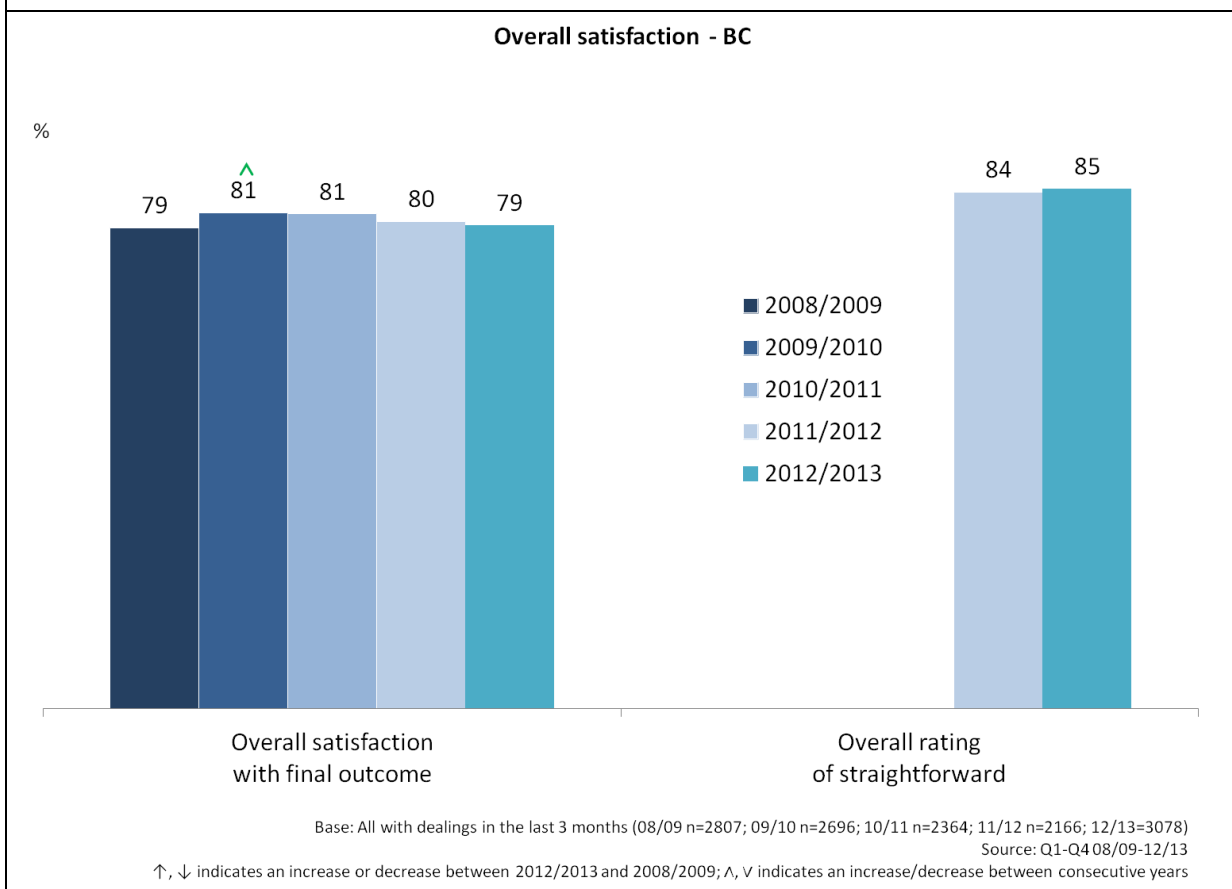
4.4.3 Overall ratings of Benefit and Credit customer experience

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

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

Prior to Q4 2010/2011 rather than rate how straightforward their dealing was, customers were asked to rate their overall experience, so the 2011/2012 measure of straightforward forms a new baseline.

Chart 4.15 Overall ratings of customer experience – Benefits and Credits



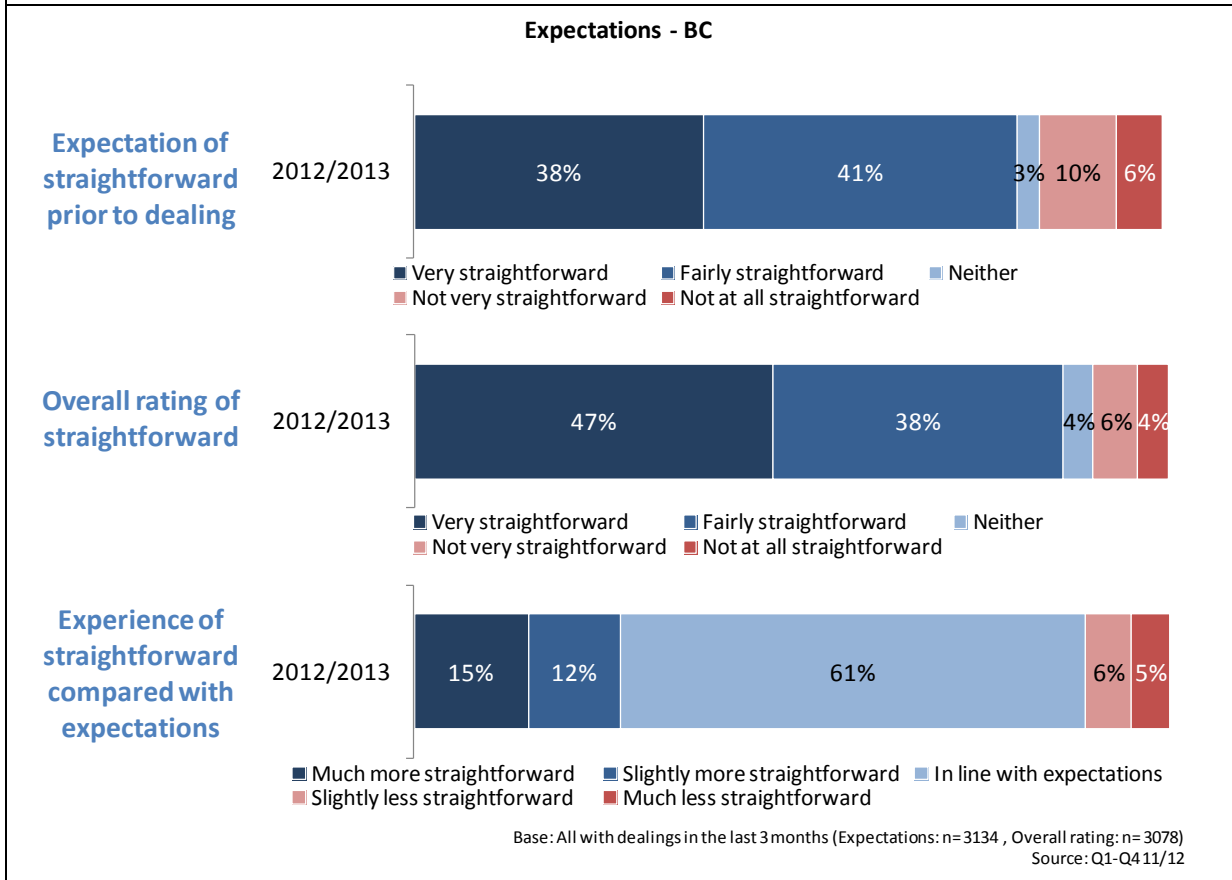
In 2012/2013, more than eight in ten Benefits and Credits customers (85%) said their experience was very or fairly straightforward. One in ten (10%) gave a negative rating. This is in line with 2011/2012 ratings. Eight in ten Benefits and Credits customers (79%) were very or fairly satisfied with the final outcome of their dealing. This has remained largely consistent since 2008/2009.

Those dealing with Child Benefit (90%) gave higher ratings for straightforwardness, while those with general credits and benefits queries gave lower ratings (76%).

A new question was added to the survey in Q2 2011/2012 asking customers to state what their expectation of straightforwardness was before their dealings began (this question was asked before the more detailed experience questions). In a continuation of the previous line of questioning, customers were asked whether their experience was more or less straightforward or in line with expectations, but the response scale changed from a three-point to a five-point scale.

Chart 4.16 shows both of these measures alongside the overall rating of straightforward. Findings are in line with those reported in 2011/2012.

Chart 4.16 Expectation and experience of straightforwardness – Benefits and Credits



Eight in ten Benefits and Credits customers (79%) had expected, before their dealing, that it would be very or fairly straightforward. A higher proportion went on to report that their dealing was straightforward (85%). Six in ten (61%) reported that their experience was in line with expectations, while a quarter (26%) said it was more straightforward than expected, far more than those who said it was less straightforward (11%).

There was a strong relationship between the rating of straightforwardness against expectations and overall rating of straightforwardness. Among Benefits and Credits customers who rated their experience very or fairly straightforward, three in ten (31%) thought that experience was more straightforward than expected, compared with only four per cent who rated their experience neutrally or not straightforward. Of those who rated overall straightforward neutrally or negatively, 44% said it was less straightforward than expected.

4.4.4 Dimensions of Benefits and Credits customer experience

Whilst the overall ratings of customer experience give a general picture, it is essential to look in more detail at particular dimensions of the experience in

order to ascertain what may be driving customer ratings and to identify key areas for action. The dimensions of customer experience were introduced in section 1.6.2.

4.4.5 Relative ratings of Benefits and Credits customer experience and changes over time

Chart 4.17 gives an overview of the relative ratings of the nine dimensions of experience and changes between the 2008/2009 baseline and 2012/2013.

The arrows show where there has been a significant change in performance from 2008/2009 to 2012/2013 and the arrow heads show where there was a significant change in the measure between two consecutive years. Additionally, the colour coding shows relative levels of positive scores (very or fairly good etc.) where darker shading represents a 2012/2013 score above the median score of the key drivers (section 4.4.6).

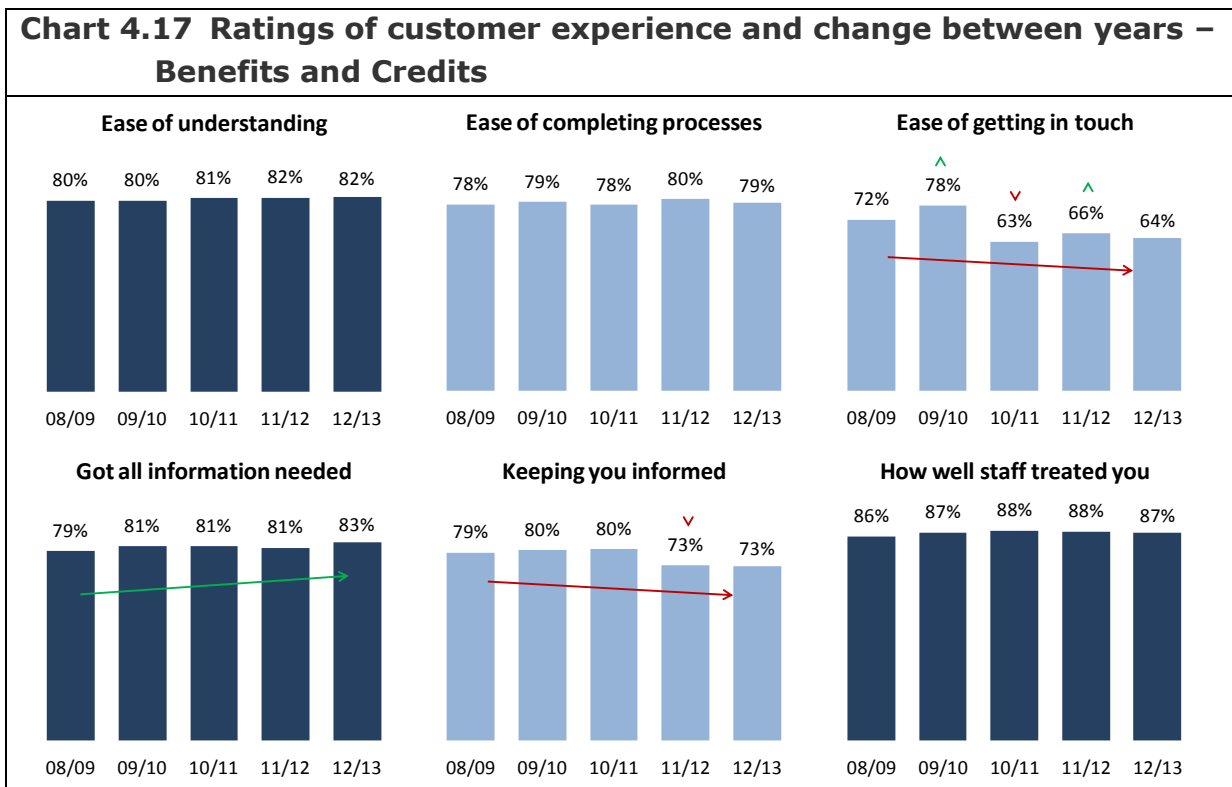
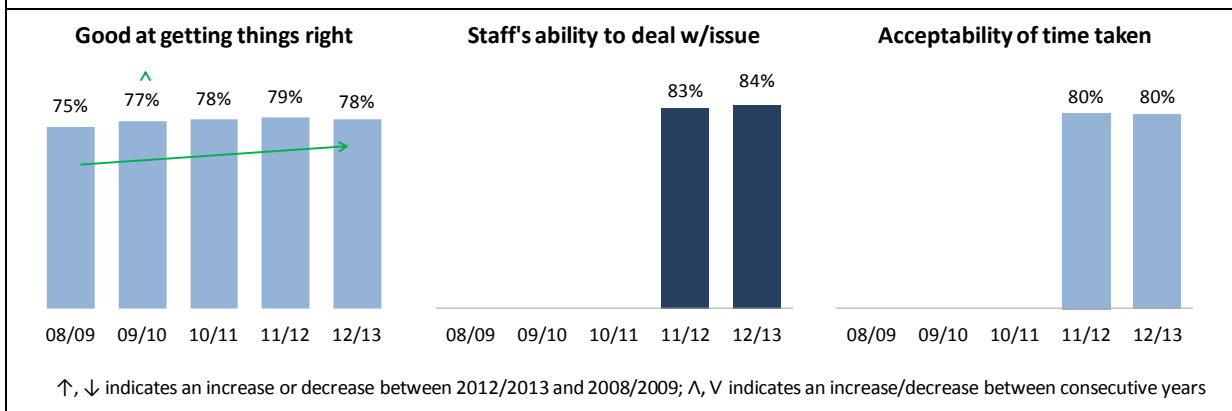


Chart 4.17 Ratings of customer experience and change between years – Benefits and Credits

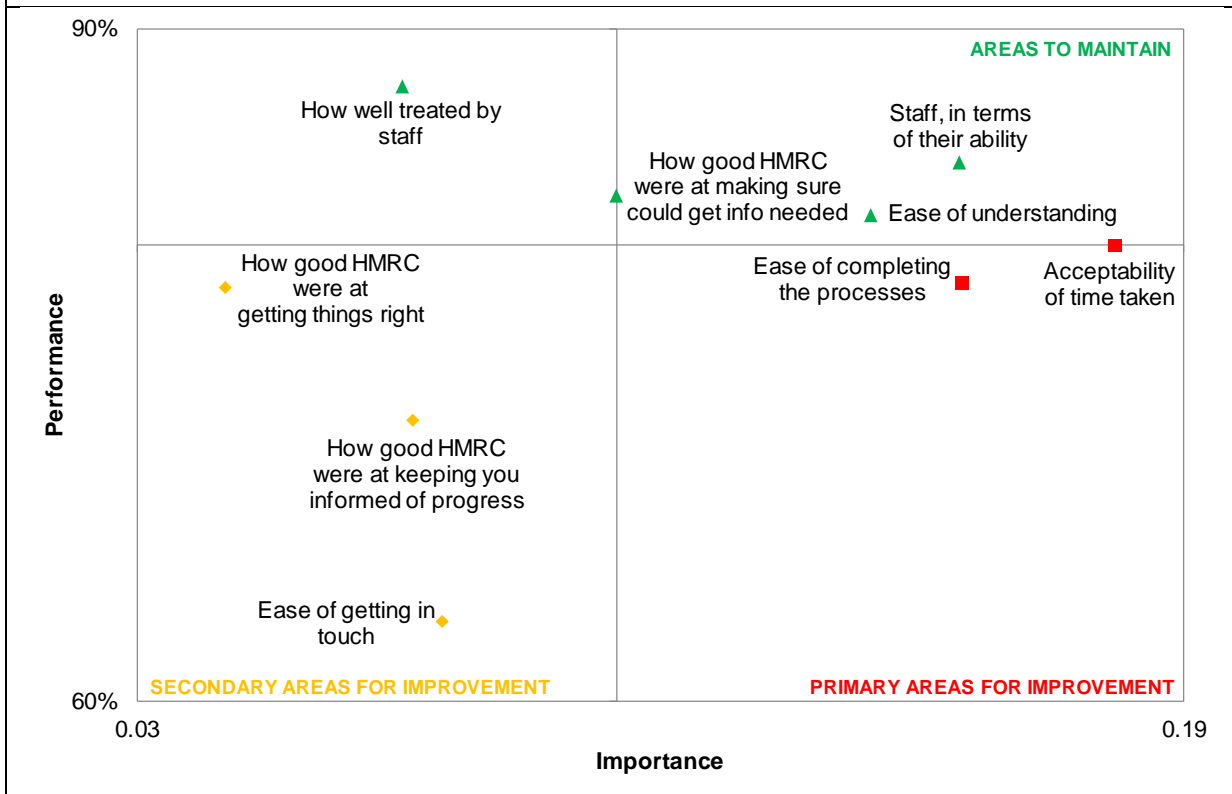


This chart shows that the majority of Benefits and Credits customers were positive about HMRC across all dimensions of experience, although there were some decreases in ratings between 2008/2009 and 2012/2013. More detailed findings for the different dimensions are discussed in sections 4.4.7 to 4.4.9.

4.4.6 Key driver analysis for Benefits and Credits customers

Key driver analysis was carried out using multivariate analysis of the overall rating of straightforwardness. The final analysis plots importance against performance in a quadrant diagram (Chart 4.18) with relative importance in driving the overall straightforward rating on the horizontal axis and performance on the vertical axis. A more detailed description of key driver analysis is in Appendix A.

Chart 4.18 Key drivers of straightforwardness – Benefits and Credits ¹⁵



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

Performance scores were generally high in areas that had the greatest influence on the overall rating of straightforward: particularly staff, in terms of their ability to deal with the issue, ease of understanding what to do and getting the information needed. These areas need to be maintained to keep the overall straightforward rating high.

Key areas for improvement due to their relatively prominent level of importance and lower performance rating were acceptability of time taken to reach an end result and ease of completing the process. However, both of these were scored relatively highly, appearing close to the top of the bottom right quadrant.

Three further factors were identified as secondary areas for improvement. These areas, rated slightly lower both in terms of importance and performance, are how good HMRC are at getting things right, keeping the customer informed of

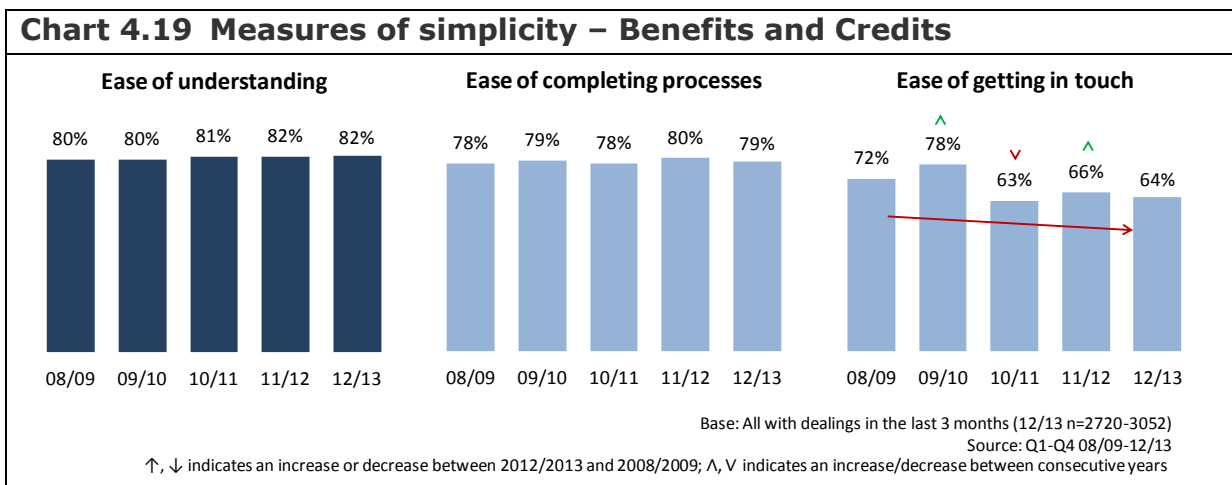
¹⁵ R² is 0.61 meaning that 61% of the variance can be accounted for in the model.

progress and ease of getting in touch. Ease of getting in touch had by some way the lowest performance score.

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

4.4.7 Simplicity for Benefits and Credits customers

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

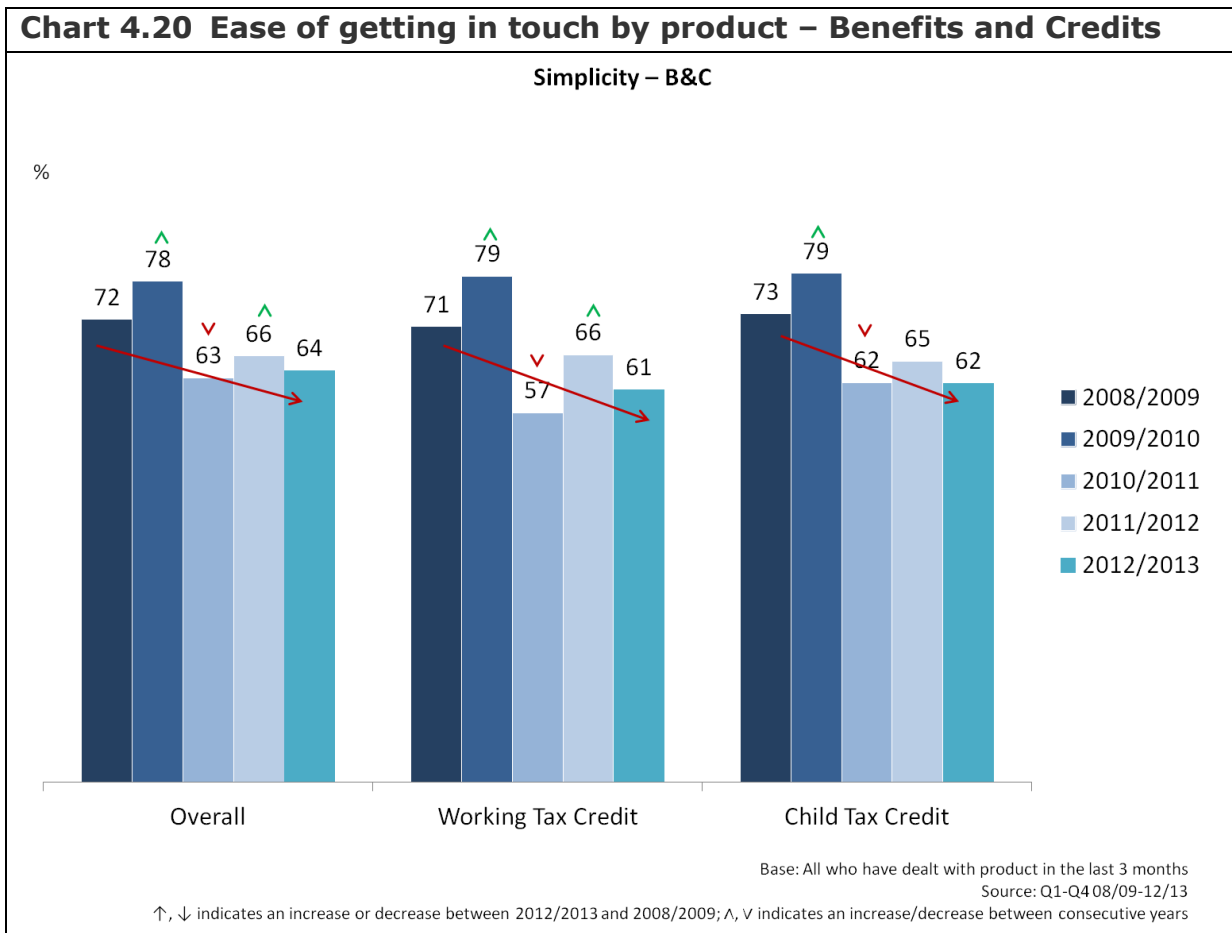


More than eight in ten Benefits and Credits customers felt that it was easy to understand what they needed to do (82%), and a similar number felt that it was easy to complete the processes (79%) related to their dealings. Both measures had remained relatively stable across the five years of the survey. Ease of understanding what to do was identified as a strong area of performance to maintain in the key driver analysis. Ease of completing the process was identified as an area to improve, although only a small improvement would be sufficient to move it into the top right quadrant. Those whose dealings were with Child Benefit were most positive about the ease of completing the process (87%). Those whose dealings involved visiting the website were less positive (73%).

In contrast to the other two simplicity measures, perceived ease of getting in touch had decreased since 2008/2009 (64%, down from 72% in 2008/2009), although there has been some fluctuation in the intervening years. This was

identified as a secondary area to improve in the key driver analysis, and was the measure with the lowest performance score overall.

The decrease in ratings for ease of getting in touch was driven through dealings with Working Tax Credit (from 71% to 61%) and Child Tax Credit (from 73% to 62%). As with the overall rating, ratings for these two products have fluctuated each year, despite the overall downward trend (Chart 4.20).

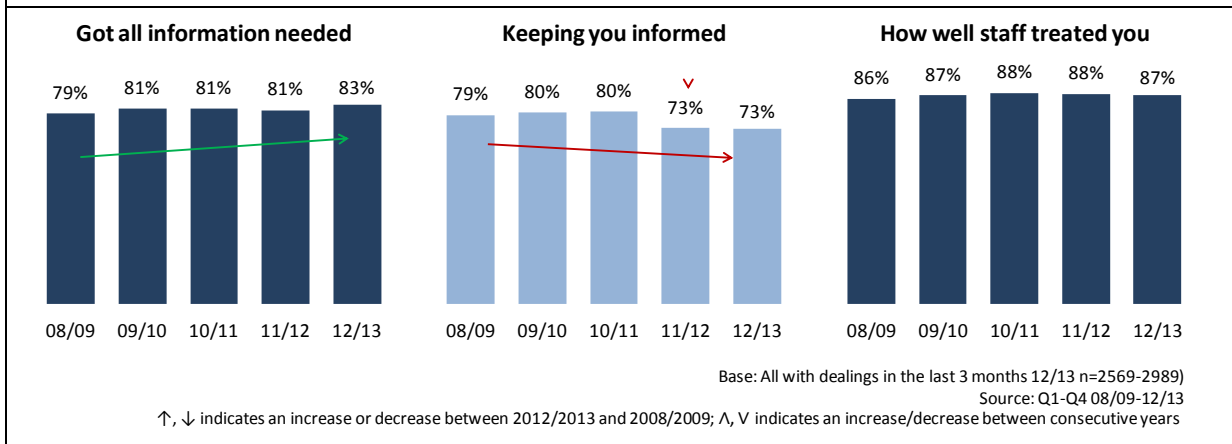


Those who had dealings with Child Benefit gave more positive ratings for ease of getting in touch (73%), which were broadly consistent over time. Those who made contact via at least three channels were less positive (50%).

4.4.8 Responsiveness for Benefits and Credits customers

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

Chart 4.21 Measures of responsiveness – Benefits and Credits



More than eight in ten Benefits and Credits customers felt that HMRC were good at making sure they got all the information they needed (83%), and that they were well treated by staff (87%) in relation to their dealings. Both measures had remained relatively stable at strong performance levels across the five years of the survey, although an upward trend had emerged in 2012/2013 for making sure the customer had all the information they needed.

How good HMRC was at keeping the customer informed about progress was rated highly by eight in ten Benefits and Credits customers between 2008/2009 and 2010/2011, but this decreased to 73% in 2011/2012, remaining at that level in 2012/2013 (73%).

The decrease between 2010/2011 and 2011/2012 was driven through dealings with Child Benefit and Child Tax Credits. However, Child Benefit remained the highest rated product to deal with in 2012/2013 (79%) in terms of being informed about progress.

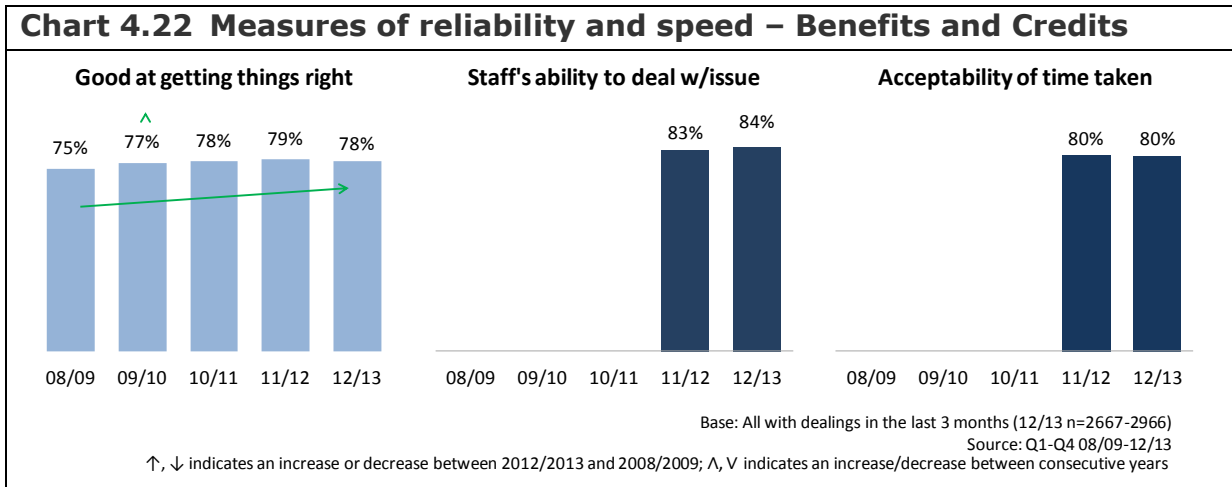
Benefits and Credits customers whose dealings involved visiting the website rated being kept informed lower (63%), as did those who made contact with HMRC via the website (61%) or by post (57%) or who used at least three channels of contact (47%).

4.4.9 Reliability and Speed for Benefits and Credits customers

Ratings of reliability and speed included how good HMRC were at getting things right, the staff in terms of their ability to deal with the issues and the acceptability of the time taken to reach a final outcome.

Acceptability of time taken was identified as a primary area for improvement in the key driver analysis, although as it is located at the very top of the bottom right quadrant, only a small improvement would be necessary to move it into the

top right. Getting things right was identified as a secondary area to improve. The measures for both staff's ability to deal with the issue and the acceptability of time taken were added to the survey in 2011/2012.



Ratings Benefits and Credits customers gave for how good HMRC were at getting things right increased between 2008/2009 and 2012/2013 (78%, up from 75%). The increase was not driven by ratings for any specific product. Ratings for dealing with Child Benefit were highest (85%).

Those in full time work were less positive about how good HMRC were at getting things right (72%), while part time workers were more positive (82%). Those whose dealings involved visiting the website (71%) and those who made contact with HMRC via the website (70%), by post (68%) or using three or more channels (59%) also gave lower ratings for how good HMRC were at getting things right

The first of the remaining measures was the ability of staff to deal with the issue, which was rated positively by 84% of Benefits and Credits customers, while the second new measure, acceptability of time taken to reach a final outcome was rated positively by 80%. These were both consistent with ratings given in 2011/2012 when the measures were first introduced. The former measure was identified as an area to maintain in the KDA while the latter was identified as a key area to improve, although it was positioned at the very top of the bottom right quadrant, so the relatively high score leaves little scope for improvement.

4.5 Reputation

Every second quarter (Q2 and Q4) a module is included in the customer survey to measure HMRC's reputation among those who may or may not have had any

recent direct dealings with the Department and therefore encompass a broader target population than the customer experience questions.

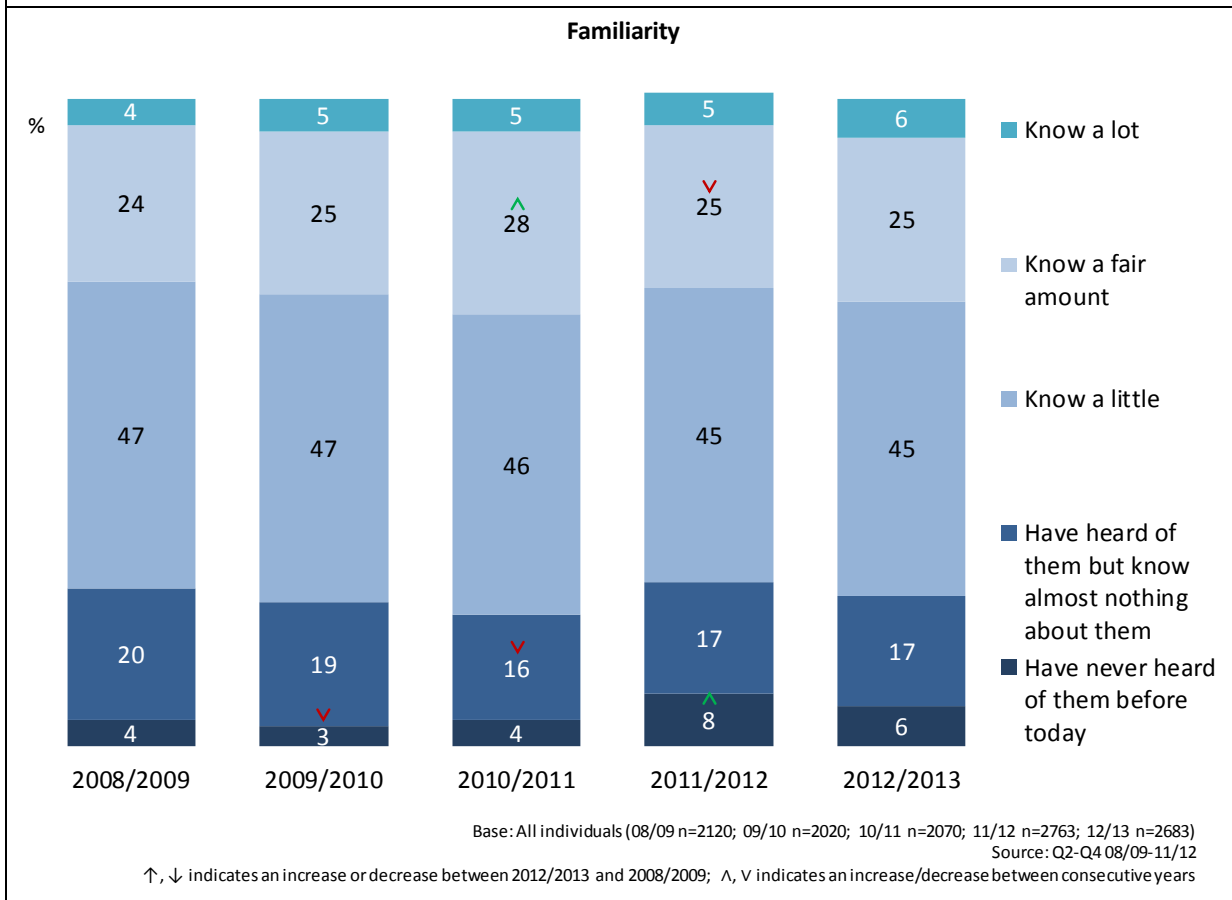
These questions were developed to provide measures to track HMRC's reputation and to evaluate the performance of its values over time among different audiences. Questions about reputation were asked of a representative sample of customers and not just those who had dealt with HMRC in the previous three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

Measurement was integrated within the Customer Survey from 2008, although the measures were substantially changed in 2010/2011. This chapter focuses on the findings from 2012/2013, and draws on any significant changes from 2010/2011 (or 2008/2009 where measures have remained unchanged).

4.5.1 Familiarity

It is important to establish familiarity (in conjunction with frequency of dealing with HMRC) to help determine the extent to which opinions of HMRC are likely to be based on experience or other influences such as word of mouth or the media. Individuals reported a moderate level of familiarity with HMRC, and while the majority knew at least a little (76%), only six percent of Individuals felt they knew a lot about HMRC. These levels have changed very little over the five years of the survey. However, the number reporting to have heard of HMRC but know almost nothing about them decreased (from 20% to 17%), while the number who said they had not previously heard of HMRC increased (from 4% to 7%).

Chart 4.23 Familiarity



These relative levels of familiarity correspond with the level of recent dealings reported in section 4.2.1, where 31% of Individuals had dealt with HMRC in the previous three months. Generally, familiarity with HMRC increases with frequency of dealings. More than half of Individuals (45%) who had dealt with HMRC in the previous three months said they knew a lot or a fair amount about them, compared with just 26% of Individuals who had not had a recent dealing.

4.5.2 Measures of reputation

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

4.5.3 Relative ratings of reputation and changes over time

Chart 4.24 gives an overview of the relative ratings of the reputation measures that make up elements of HMRC’s reputation (fairness, favourability and trust), and changes between the baseline and 2012/2013.

The arrows show where there has been a significant change in performance from 2008/2009 (or 2010/2011 for measures added in 2010) to 2012/2013 and the arrow heads show where there was a significant change in the measure between two consecutive years.

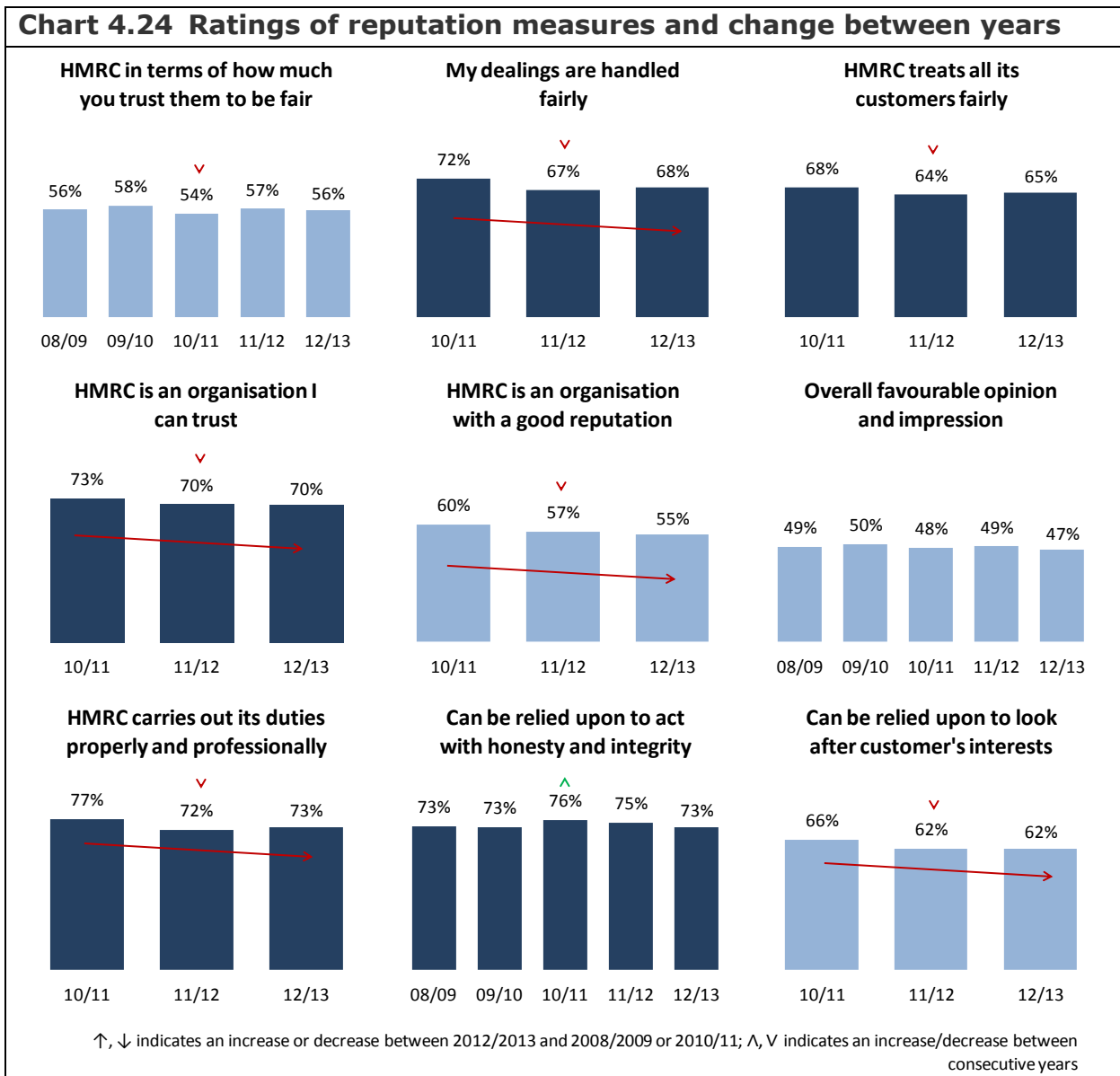
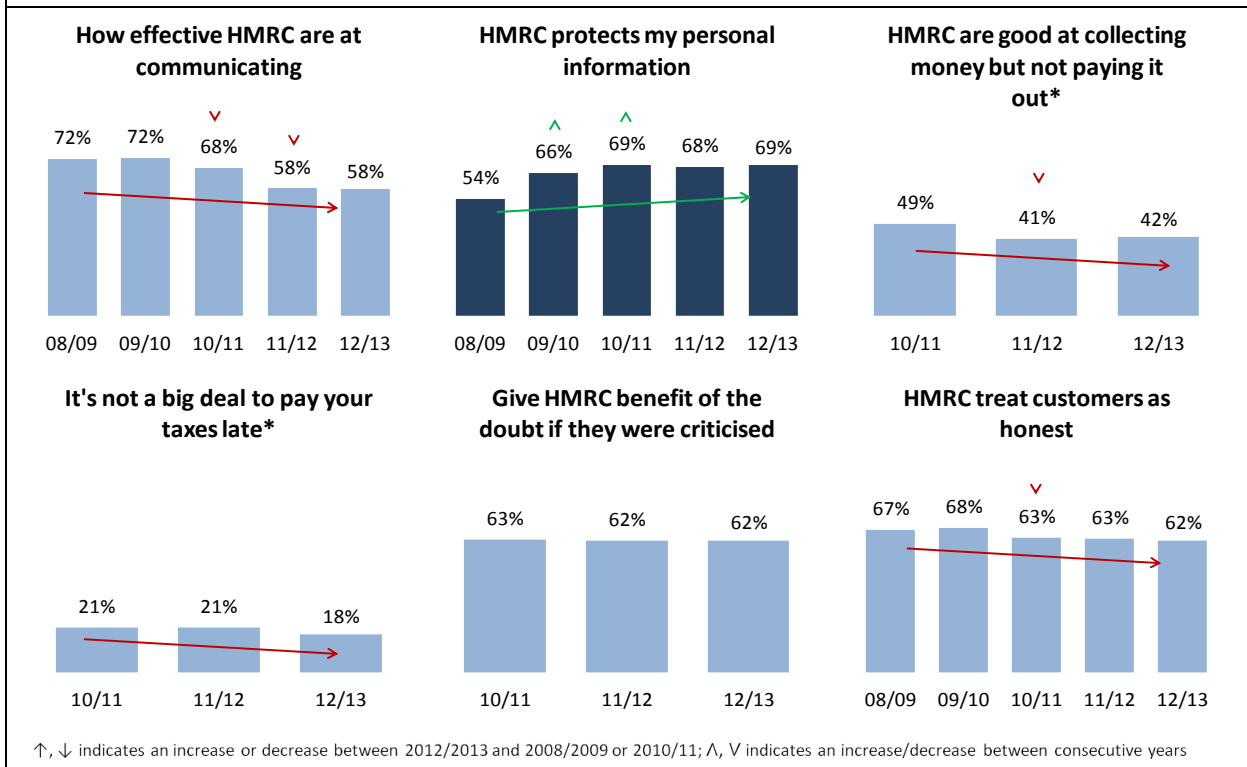


Chart 4.25 gives an overview of the relative ratings of the remaining reputation measures (communications, stories, support, compliance and other). The colour coding on Chart 4.24 and Chart 4.25 shows relative levels of positive scores (very or fairly good etc.) where darker shading represents a 2012/2013 score above the median score of the key drivers (section 4.5.4) whereas lighter shading represents a score below the median.

Chart 4.25 Ratings of other reputation measures and change between years

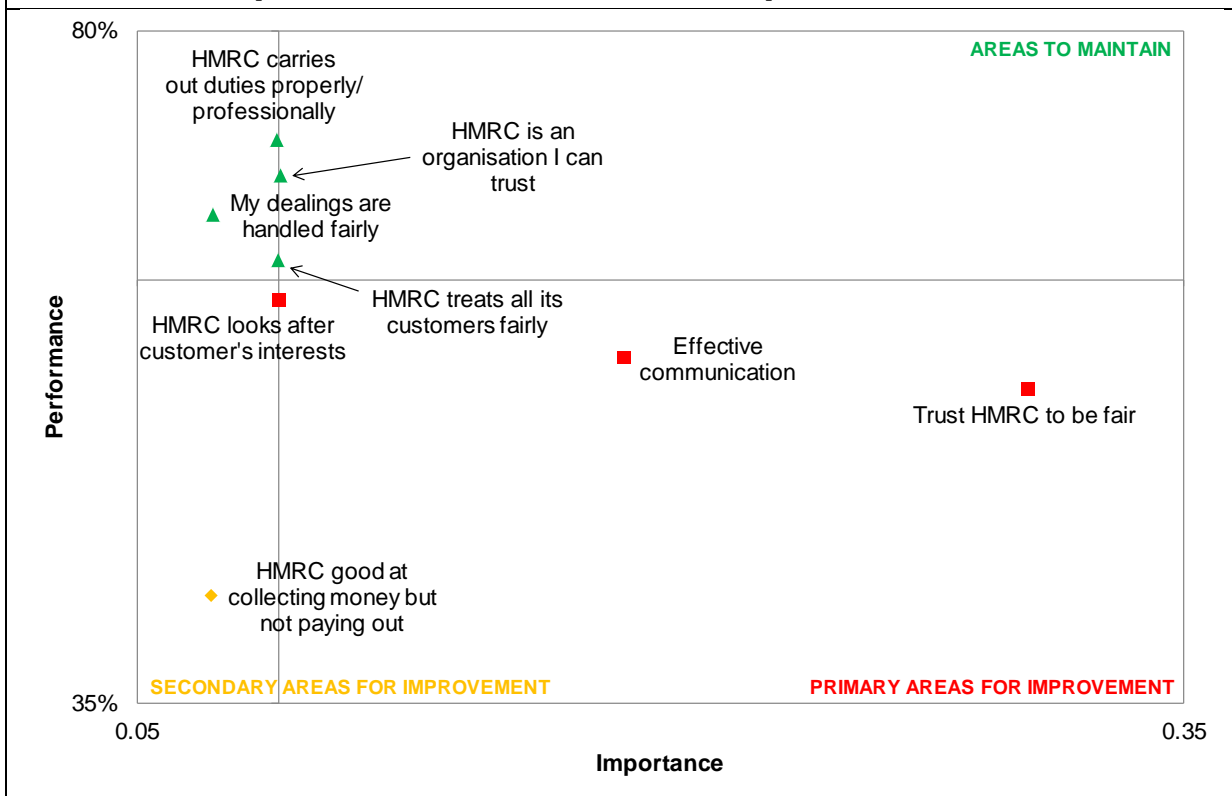


The charts show that the majority of Individuals were generally positive about HMRC across most reputation measures, and there were some changes (both up and down). A number of the new measures decreased between 2010/2011 and 2011/2012, but remained at those levels in 2012/2013. More detailed findings for the different dimensions are discussed in sections 4.5.5 to 4.5.9.

4.5.4 Key driver analysis

Key driver analysis was carried out using multivariate analysis of an overall measure (favourability). The final analysis plots importance against performance in a quadrant diagram with relative importance in driving favourability on the horizontal axis and performance on the vertical axis (Chart 4.26). A more detailed description of key driver analysis is in Appendix A.

Chart 4.26 Key drivers of overall favourability¹⁶



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

Trust in HMRC to be fair was found to be particularly dominant in the model that explored overall favourability, and due to its relatively poor performance rating is a key area for improvement. The model also identified effective communication and looking after the customer's interests as primary focuses for improvement as performance in these areas is also relatively low.

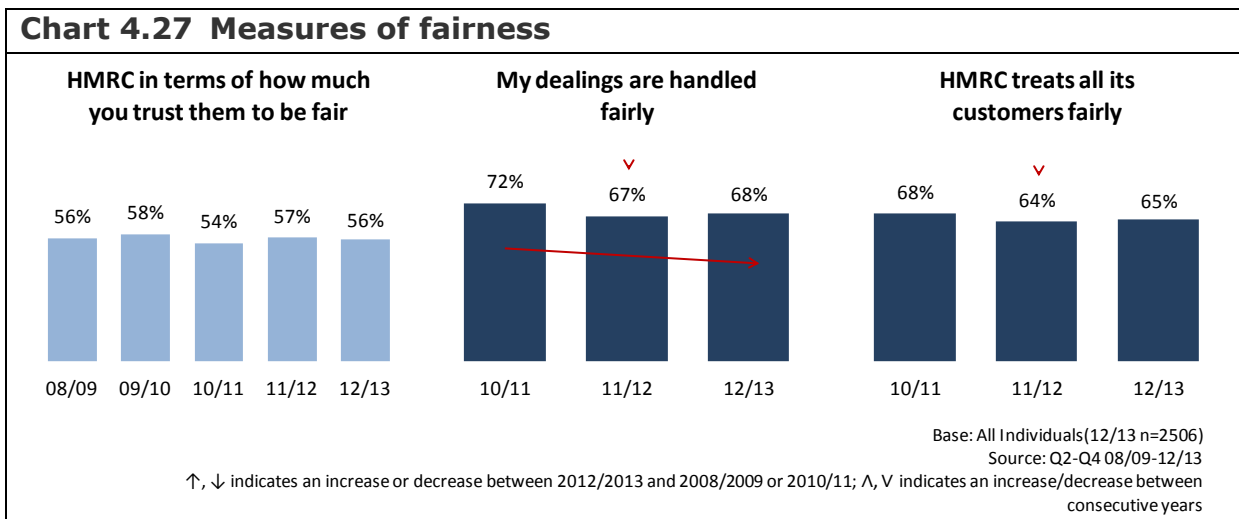
The perception that HMRC are good at collecting money but not paying out was identified as a secondary focus for improvement, as it has a lower rating for importance but is still performing less well.

Being a trusted organisation, treating customers fairly and carrying out duties properly and professionally are all areas with strong performance, although only just feature in the higher importance side of the map. Nonetheless, these areas should still be maintained.

¹⁶ R² is 0.43 meaning that 43% of the variance can be accounted for in the model.

4.5.5 Fairness

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



Of the three fairness measures, trust in HMRC to be fair is the only one to have been asked since 2008/2009. Ratings remained reasonably consistent across the five years of the survey (56% in 2012/2013), with only marginal differences between years.

Those who have had recent dealings with HMRC were more likely to give a positive rating (65% compared with 52% of those with no recent dealings). By age, 16-24s were the most positive (70%) and 50-54s were the least positive (40%). This was an increase for the younger age group and a decrease for older respondents. There were also some differences in attitude by segment¹⁷; 62% of those willing and able were positive, whereas just 48% of the 'willing but need help' segment and 38% of 'potential rule breakers' gave a positive score. There was some fluctuation among the 'potential rule breakers' segment over time, but the rating in 2012/2013 was a decrease from the peak of 52% in 2009/2010.

The perception that their dealings are handled fairly by HMRC was rated positively by two thirds of Individuals (68%), although this had decreased since the question was introduced in 2010/2011 (72%). Those with dealings in the last three months were more likely to believe that HMRC handled their dealings fairly (80% compared with 63% of those without recent dealings). The overall decrease in ratings was reflected for Individuals who had not dealt with HMRC in

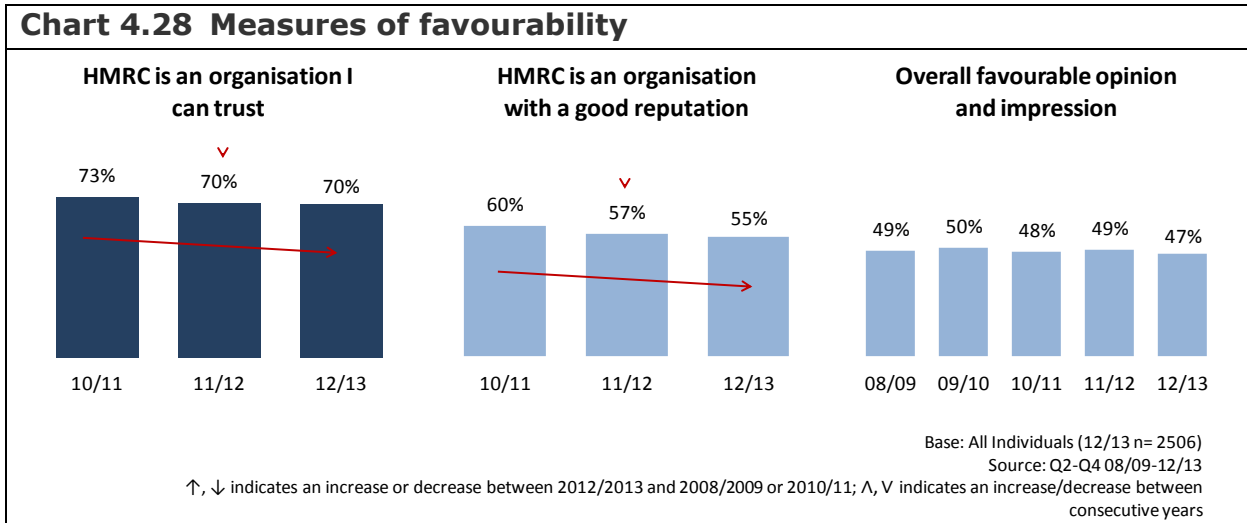
¹⁷ For further details on each segment see Section 4.6.

the last three months (down from 69% in 2010/2011). There was no change in the ratings given by Individuals who had had a recent dealing, meaning this change in perceptions was not based on recent personal experience. By segment, 'willing and able' were more positive (72%), whereas 'potential rule breakers' were less positive (55%).

Two thirds of Individuals (65%) agreed that HMRC treats all its customers fairly (65%), with no significant change over time in this measure.

4.5.6 Favourability

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



The perception that HMRC is an organisation that can be trusted was rated positively by seven in ten Individuals (70%). This was in line with 2011/2012, but a decrease from when the measure was first introduced in 2010/2011 (73%). Trust in HMRC was identified in the key driver analysis as an area to be maintained so it is important to prevent any further decline in this measure.

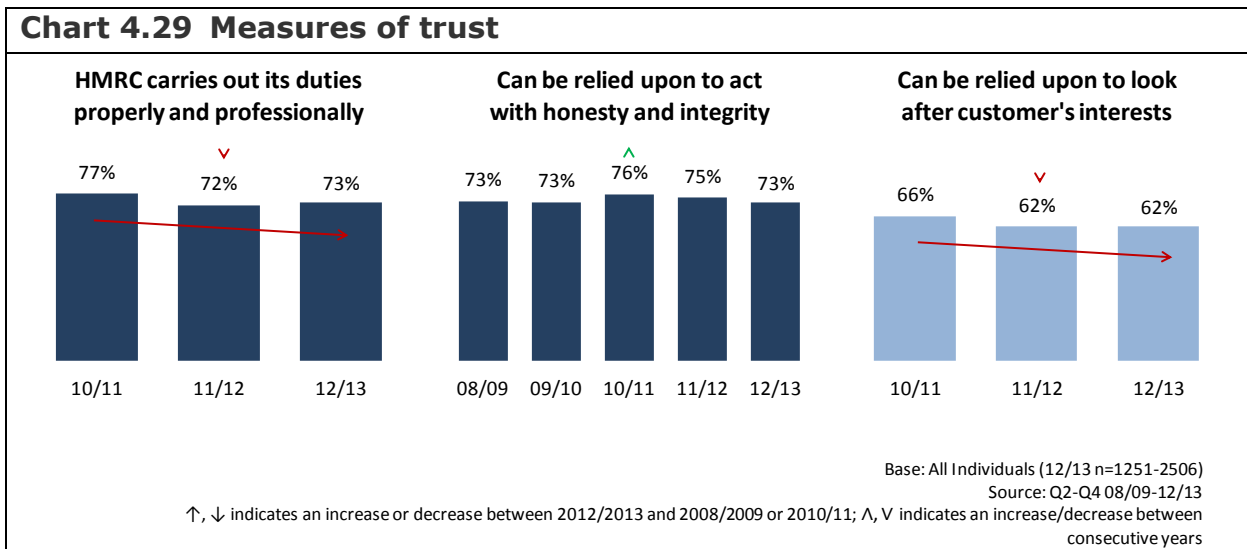
Those who had dealings with HMRC in the last three months were more likely to trust HMRC (76% compared with 68% of those without recent dealings). Ratings for those with recent dealings remained constant between 2010/2011 and 2012/2013, but decreased for those without recent dealings (from 72% in 2010/2011), so the overall decline is driven by those without recent experience. By segment, 'willing and able' (74%) were more likely to trust HMRC, while 'potential rule breakers' were less likely to do so (62%). Trust was also higher among 16-24s (81%) and lower among 50-54s (60%).

Ratings for HMRC is an organisation with a good reputation decreased from 60% in 2010/2011 to 55% in 2012/2013. 16-24s were more positive (73%) but otherwise there were no notable differences by segment. Decreases were apparent among both those with recent dealings and those without, and across all segments.

Overall favourability was the only favourability measure to have been asked since 2008/2009 and in that time ratings had remained reasonably steady (47% in 2011/2012). Ratings given by those with a recent dealing were more positive than those who had not had a recent dealing (61% compared with 42%).

4.5.7 Trust

Trust includes three measures; HMRC can be relied upon to carry out its duties properly and professionally, HMRC can be relied upon to act with honesty and integrity and HMRC can be relied upon to look after customer's interests (Chart 4.29). How well HMRC can be relied upon to look after a customer's interests was identified as a primary area for improvement in the key driver analysis.



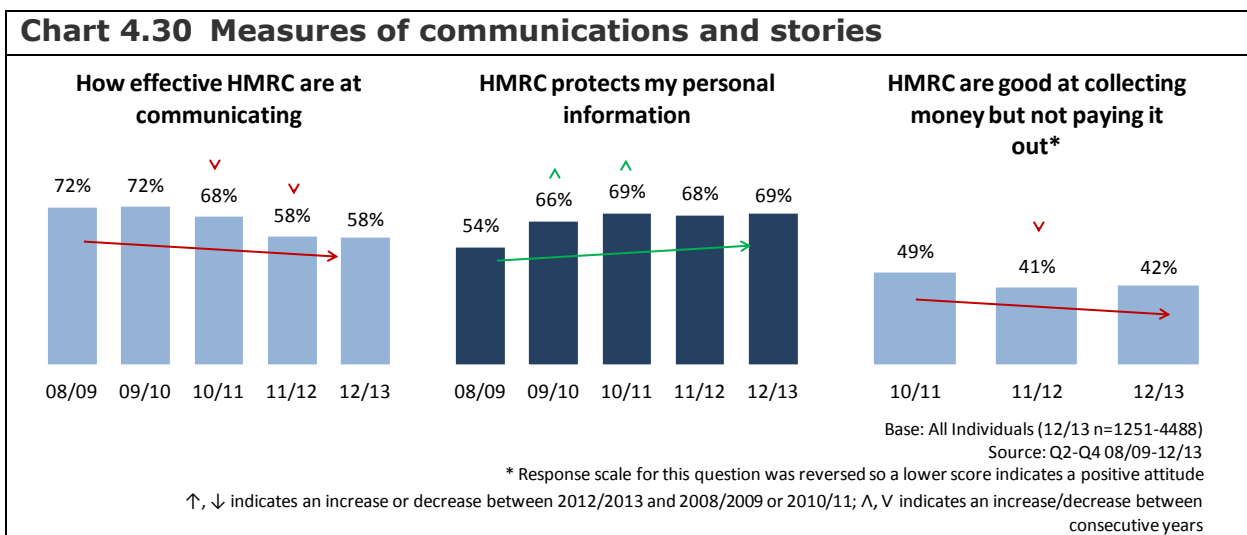
Ratings for how well HMRC carries out its duties properly and professionally decreased from 77% in 2010/2011 to 73% in 2012/2013. This decrease took place between 2010/2011 and 2011/2012, with no further decrease in 2012/2013. The decrease between 2010/2011 and 2011/2012 was driven by those without a recent dealing (from 76% to 69%) and as at the overall level this was sustained in 2012/2013 (71%). 'Potential rule breakers' gave less positive ratings on this measure (62%) while 16-24s were more positive (84%).

Ratings for how well HMRC can be relied on to act with honesty and integrity remained reasonably steady between 2008/2009 and 2012/2013 (73%), with just some minor fluctuations in intervening years.

As with the first trust measure, the final trust measure (HMRC can be relied upon to look after customer’s interests) also fell between 2010/2011 (66%) and 2012/2013 (62%), with the decrease occurring between 2010/2011 and 2011/2012 and no further change in 2012/2013. The decrease was reflected in ratings given by those without a recent dealing (from 66% in 2010/2011 to 59% in 2011/2012) and the ‘willing but need help’ segment (from 69% in 2010/2011 to 60% in 2011/2012). Ratings for both of these groups remained stable in 2012/2013 (61% for both groups). ‘Potential rule breakers’ (53%) and the self employed (51%) gave lower ratings, while 16-24s were the most positive (77%).

4.5.8 Communications and stories

The communications theme comprises two measures; effectiveness of communication and HMRC protects my business information, while the stories theme is made up of the measure ‘HMRC are good at collecting our money but not at paying it out’ (Chart 4.30). Effective communication was identified as a key area to improve in the key driver analysis, while the perception that HMRC are good at collecting money but not paying it out was identified as a secondary area for improvement.



Ratings for effectiveness of communication decreased from 72% in 2008/2009 to 58% in 2012/2013. This decrease was largely universal across Individuals subgroups. Those with dealings with HMRC in the last three months were more likely to feel that HMRC were effective at communicating (68% compared with

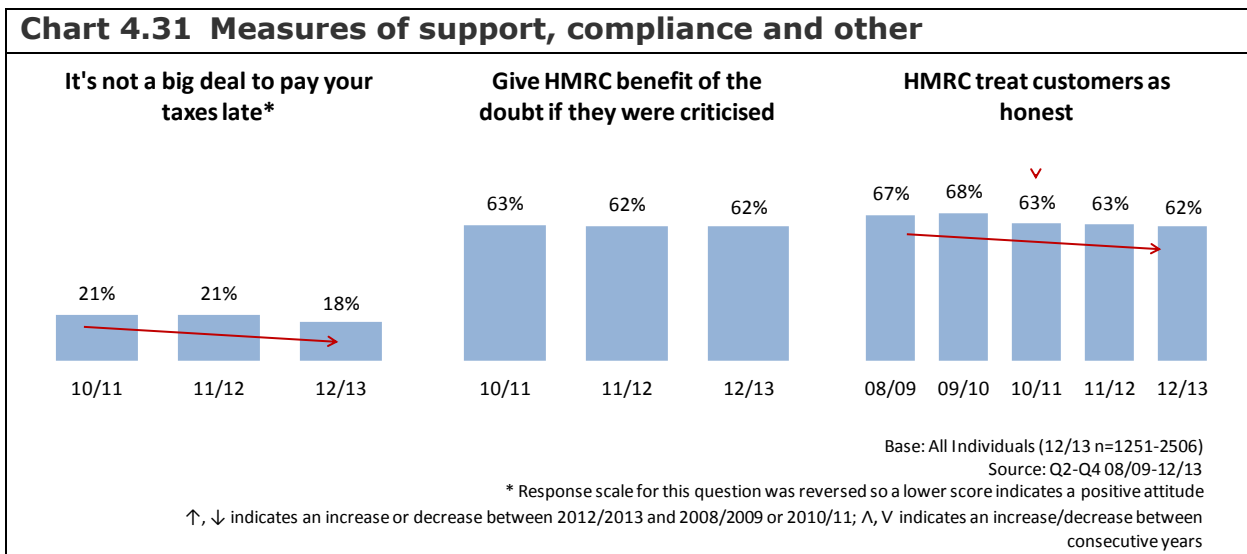
53% of those without recent dealings). Part time workers were also more positive (65%).

In contrast, the belief that HMRC protects personal information has increased from 54% in 2008/2009 to 69% in 2012/2013. This increase has been largely universal across subgroups.

Ratings for HMRC are good at collecting our money but not at paying it out decreased between 2010/2011 and 2012/2013 (42%, down from 49%). As with a number of other measures, this decrease occurred between 2010/2011 and 2011/2012, with no further change in 2012/2013. However, in this case a decrease is positive as the response scale for this question was reversed so a lower score indicates a more positive attitude.

4.5.9 Support, compliance and other

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



Ratings for 'it's not a big deal to pay your taxes late' stayed at the same level between 2010/2011 and 2011/2012 (21%) but decreased to 18% in 2012/2013 representing a more positive rating, that is a lower proportion of customers agreed that it is not a big deal to pay taxes late.

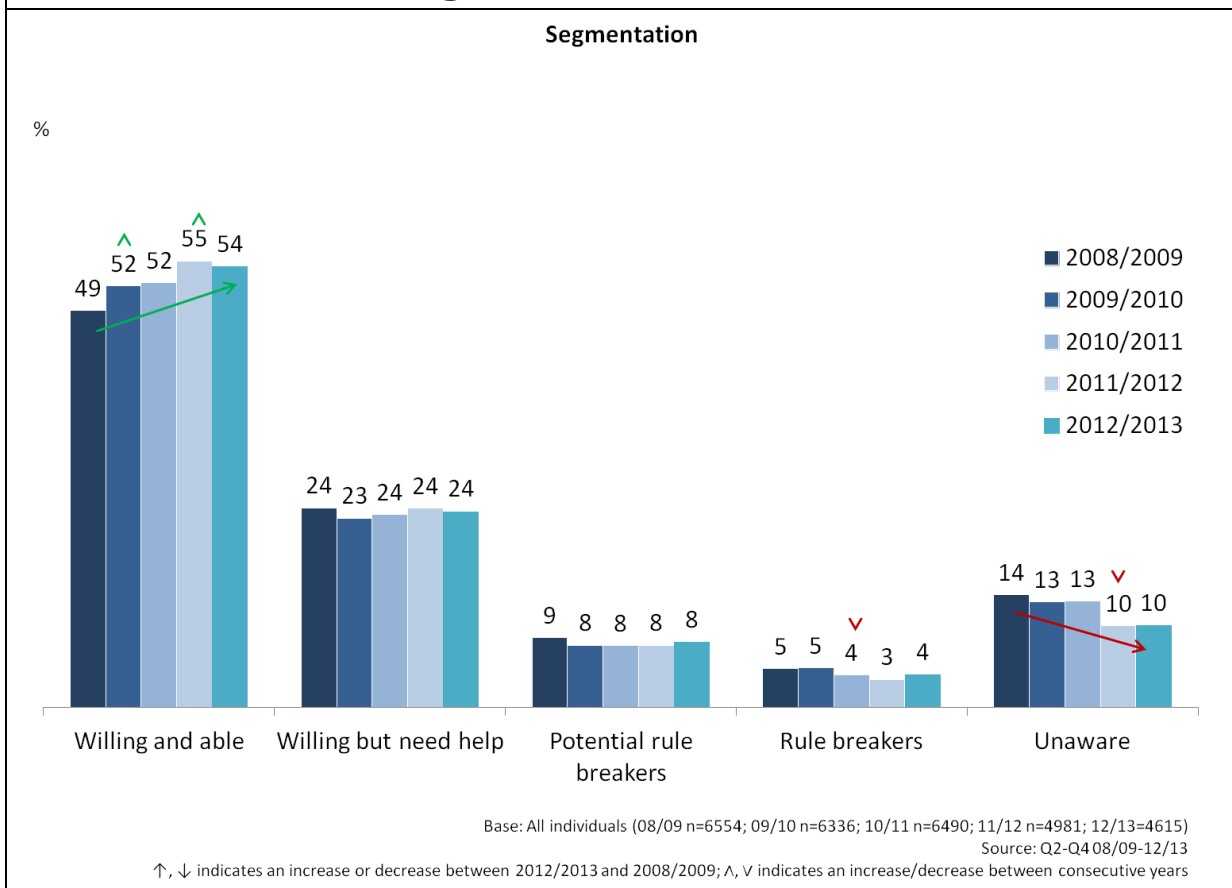
Ratings for giving HMRC the benefit of the doubt if criticised have remained at a constant level since the measure was introduced in 2010/2011 (62% in 2012/2013).

The final reputation measure rated HMRC in terms of whether they treat their customers as honest. Ratings decreased from 67% in 2008/2009 to 62% in 2012/2013. Those who had dealt with HMRC in the last three months were more likely to believe that HMRC treated its customers as honest (67% compared with 59% of those without recent dealings), with ratings declining more among those without recent dealings over time (from 66% in 2008/2009). Ratings for treating customers as honest declined with age, from 81% of 16-24s down to 56% of those aged 65 and over. Ratings among Individuals aged 65+ had decreased from 67% in 2008/2009.

4.6 Segmentation

HMRC has developed an attitudinal segmentation of its Individuals customers, based on four dimensions: awareness of requirement to comply, motivation to comply, ability to comply, and opportunity not to comply¹⁸. Individuals can be broken down by these segments, derived from a set of questions within the survey (Chart 4.32).

Chart 4.32 Individuals segment size over time



¹⁸ For further information, see HMRC Research Report 92, <http://www.hmrc.gov.uk/research/individuals-prioritisation-publication.pdf>

In 2012/2013 slightly more than half of Individuals fitted in to the 'willing and able' segment (54%, up from 49% in 2008/2009). A quarter were 'willing but needed help' (24%), one in ten were identified as 'potential rule breakers' (8%) and just four percent were categorised as rule breakers. Aside from minor fluctuations, there has been no change over time in the size of these three groups. The remaining 10% of individuals were categorised as unaware, which had decreased from 14% in 2008/2009.

5 Appendix A: Method

5.1 Data collection method

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

5.2 Sampling method

Respondents for the survey are selected using Random Probability sampling. This is the most robust sampling method available and statistical techniques can be used on the results to provide confidence about the true level of change over time. In 2011 the sampling approach was reviewed in line with the 2010 Spending Review priorities, and the method was revised accordingly. Full details of the changes can be found in the HMRC Customer Survey 2011-15 Development Project report ¹⁹.

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

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

In 2011/2012 the National Insurance & PAYE System (NPS) which records Class 2 NI liabilities as soon as an individual informs HMRC that he/she is self-employed was added to the SME sampling frame. This sample enables us to include newer businesses that were not yet covered by SA.

¹⁹ HMRC Customer Survey 2011-15 Development Project, February 2011: <http://www.hmrc.gov.uk/research/report153.pdf>

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

5.3 Survey timing

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

5.4 Survey structure and size

The survey reduced in size in 2010/2011 and again in 2011/2012. The following tables show the approximate number of interviews for each year.

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

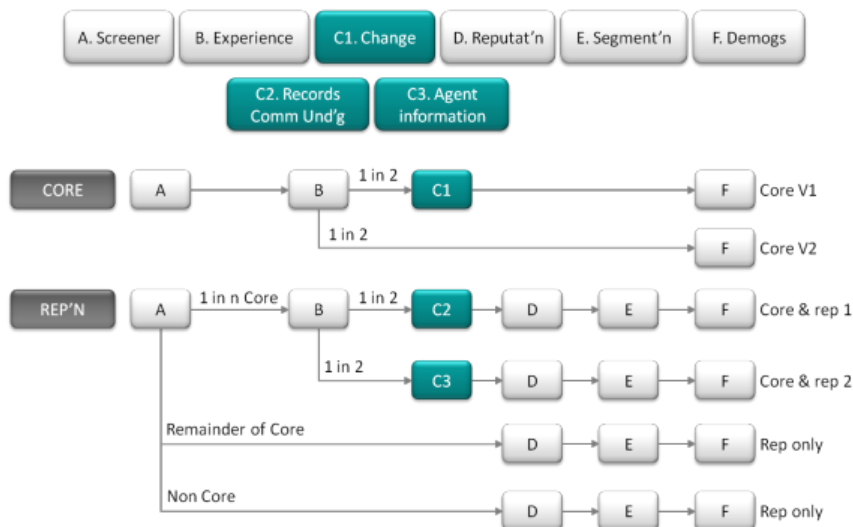
The survey is modular in nature. Every quarter all customers in the sample are contacted to identify those who have had any dealing with HMRC in the previous three months. These customers are then interviewed about their experience. This equates to around a third of individuals, three in four businesses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

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

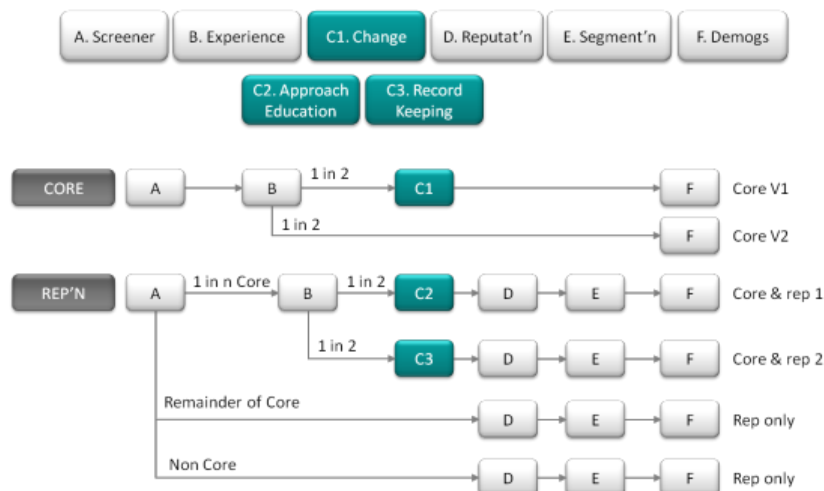
5.5 Questionnaire content and length

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

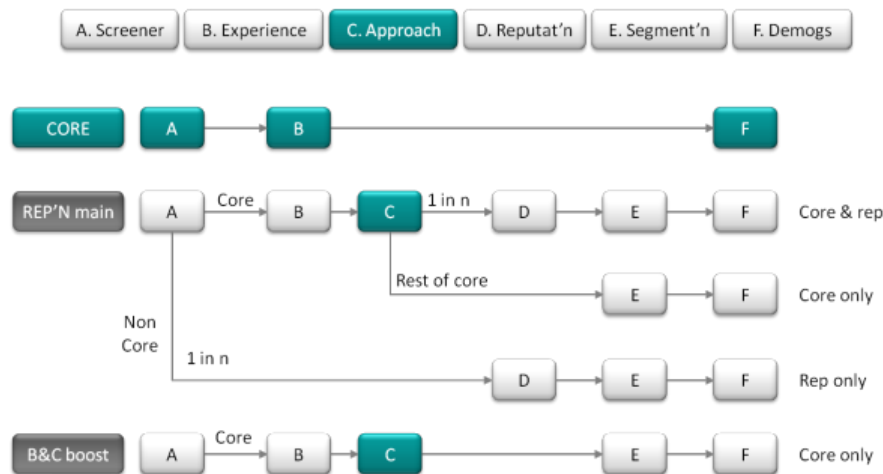
Agents



SME



Individuals



5.6 Response rates

Response rates are estimated at around 48%-55% for SME businesses and Agents, and around 20-25% for individuals each quarter. These are estimated figures as assumptions are used for numbers where no final outcome is achieved (e.g. no answer).

It is difficult to estimate an accurate response rate for the Random Digit Dialling survey of individuals, since many of the telephone numbers are never answered. Where numbers are not answered it is impossible to determine whether these are residential phone numbers that are currently in use, or not, so the true response rate may be higher than the 20-25% reported above. Where someone answered the phone, around 45% of households agreed to take part in the survey.

5.7 Corrective weighting

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

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

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

5.8 Adjusted scores due to changes in sampling

From 2011/2012, the results were not directly comparable with the previous survey because the sample now includes groups who were not previously sampled e.g. newer and smaller SME businesses and Tax Agents. To enable comparisons between the old and new scores we have calculated the likely difference in scores caused by changes to the sample.

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

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

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

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

5.9 Key driver analysis

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

Step 1 – Relative importance scores

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

$$\text{Dependent} = B_1 \times \text{Independent}_1 + B_2 \times \text{Independent}_2 + B_3 \times \text{Independent}_3 \text{ etc}$$

For example:

$$\text{Service rating} = B_1 \times \text{Ease of understanding} + B_2 \times \text{being kept informed} + B_3 \times \text{ease of getting in touch} + (\text{etc})$$

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

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

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

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

The strength of the final model is expressed as $R^2=x$. This means the model explains x% of the variance in service ratings. The closer the R^2 score is to 1, the better the model. In such models we usually see scores from around 0.3 to 0.6. The highest R^2 value is likely to be achieved with all dependent variables included in the model. However, this is not usually the model selected, as it contains variables that are too strongly correlated with each other, thus depressing the apparent influence those variables have on service ratings (see explanation above). The final model selected will be one in which each independent variable has a set level of influence (i.e. beta score above a certain level) and which retains a relatively high R^2 value.

Step 2 – Performance scores

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

Step 3 – Plotting scores in quadrant diagram

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

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

