

HM Revenue and Customs Customer Survey 2008-2015



HM Revenue and Customs Research Report 364

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www.gov.uk/government/organisations/hm-revenue-customs

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

SMEs – Small and Medium Enterprises

HMRC - HM Revenue & Customs

KDA – Key Driver Analysis

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1. Introduction to the Customer Survey



1.1. Background

As part of the Spending Review 2010 (SR10), HM Revenue & Customs (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 which positively influence their behaviours.

HMRC's customer experience ambitions for 2015 focused on improving core services for all its customers in the areas that matter most to them. Over the last five years, the Department set out and delivered a targeted and ambitious programme of work making progress in modernising tax and payments administration to meet the demands of their customers' increasingly complex tax affairs.

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 the Comprehensive Spending Review 2010 (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 customers' perceptions of the reputation of HMRC for each of three main customer groups (Individuals which comprise Personal Tax and Benefits and Credits customers, SMEs and financial Agents).

The specific objectives are:

- Quarterly tracking of customers' 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 2014/15 financial year for each customer group, and where appropriate make comparisons with the previous year and highlight key trends over time comparing against a benchmark of 2010/11 where appropriate to measure change over the SR10 period.

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, SMEs (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 customer groups: Computer Assisted Telephone Interviewing (CATI). 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 SR10 priorities, and the method was revised accordingly¹.

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

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, structure and size

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.

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 2014/15 interviews were carried out with around 16,900 customers: approximately 8,100 Individuals, 5,400 SMEs and 3,400 Agents. The number of interviews reduced in 2011/12 from approximately 24,000 annually, in response to the recommendations of the methodological review to meet 2010 Spending Review priorities.

1.5. Reporting notes

1.5.1. Changes in sampling

In Q2 2011/12 the sampling frames for all three customer groups were redefined. More details are in Appendix A.

Agents

Prior to Q2 2011/12 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 2011/12 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.

SMEs

Prior to Q2 2011/12 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 2011/12 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 2011/12 Personal Tax and Benefits and Credits customers were combined and reported as the Individuals customer group. From 2011/12 the Personal Tax and Benefits and Credits groups were reported separately. There are fewer Benefits and Credits than Personal Tax customers, so from Q2 2011/12 the survey included a boost sample. For Q2 and Q3 2011/12 the boost used RDD sampling. However, it was difficult to recruit sufficient numbers of Benefits and Credits customers. Therefore from Q4 2011/12 to improve sample efficiency HMRC's Tax Credits customer database was used as the sampling frame.

As a result of the sampling changes the 2011/12 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 scores from 2008/09 to 2010/11 remain unchanged.

1.5.2. 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. SMEs 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 their 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 research², and questions were developed that could apply to any HMRC tax or benefit. The nine dimensions can be split into three key areas (Table 1.1).

Table 1.1 Dimensions of experience

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 2011/12.

\$ Question wording changed slightly in 2011/12

² HMRC Customer Survey 2011-15 Development Project, February 2011: <http://www.hmrc.gov.uk/research/report153.pdf>

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.

1.5.3. 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 encompasses 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 of Reputation was integrated within the Customer Survey from 2008, although the measures were substantially changed in 2010/11 following cognitive testing of Reputation questions in 2010. Table 1.2 highlights questions added for the 2010/11 survey.

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 (Table 1.2)

Table 1.2 Measures of Reputation

Area	Measure
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 in 2010/11.

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)

1.5.4. General conventions in charts and text

Annual figures are presented which combine responses from Quarter 1, Quarter 2, Quarter 3 and Quarter 4 each financial year. The charts show the full time series of data (and any statistically significant differences from the start of the time series in 2008/09. However, the text in the report will focus on the Spending Review 10 period onwards, so any comparisons against a benchmark will compare 2014/15 results to those from 2010/11 at earliest.

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”. Percentages for single-response questions do not always add up to exactly 100% due to the effect of rounding.

The following conventions have been used in charts:

- 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 first point of data collection in 2008/09 and 2014/15.
- 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

- The vast majority of Agents (96%) had dealt with HMRC in the previous three months. Most reported a variety of dealings about the tax selected for them as the focus of the interview³.

Dimensions of Customer Experience

- Three quarters of Agents (73%) rated their experience as very or fairly Straightforward, with one in five Agents (18%) giving a negative rating.
- Overall eight in ten (80%) Agents expected their dealing with HMRC would be Straightforward. This expectation was generally met.
- Scores for dimensions of experience were varied. Areas of Simplicity continued to be rated highly: 'Ease of understanding what to do' (84%) and 'Ease of completing the processes' (80%). One area of Responsiveness was also rated highly: 'How well staff treated them' (81%).
- 'Ease of getting touch' performed less well with six in ten Agents (58%) rating this positively. Positive ratings for 'Keeping Agents informed about progress' continued to decrease in 2014/15, with a score of 49% compared to 56% in 2010/11. This decrease in 'Keeping Agents informed' is clearly evident amongst Agents dealing with Payroll and NI, with positive scores decreasing between 2013/14 and 2014/15. In addition, a decrease in positive scores is evident amongst Agents dealing with Company Tax between 2010/11 and 2014/15.

Key Driver Analysis

The aim of the Key Driver Analysis was to understand the underlying factors driving Agents' ratings of how Straightforward it is to deal with HMRC⁴. It identifies the relative influence of each dimension of experience on the overall measure, and provides insight into the areas that need to be prioritised for improvement to keep overall ratings of Straightforward high.

- Two key areas for improvement were related to Reliability and Speed: 'Being good at getting things right' and the 'Acceptability of time taken'. In addition one area related to Simplicity, 'Ease of getting in touch' was also identified as a key area for improvement.
- Similar numbers of Agents rated HMRC positively in 2014/15 for 'Being good at getting things right' (62%) and the 'Acceptability of time taken' (64%), with both scores in line with 2013/14.
- The other key area of improvement, 'Ease of getting in touch' was rated positively by 58% of Agents.
- Two areas were identified as secondary areas for improvement. 'Keeping the customer informed of progress' was rated positively by half (49%) of Agents and has continued to decline since 2010/11. The other secondary area of improvement identified was 'Staff ability'. It performed slightly better (64%) and has stabilised since a decline in performance in 2013/14.

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

2.1.2. Reputation

- In 2014/15, ratings on all Favourability, Fairness and Trust measures were in line with performance in 2013/14.
- Of these measures scores for 'Acting with honesty and integrity' (73%), 'Being an organisation that I can trust' (64%), and 'Carrying out duties properly and professionally' (60%) maintained the improvement in positive ratings seen in 2013/14.
- The rating given to HMRC for 'Protecting business information' has improved over time, up from 67% in 2010/11 to 72% in 2014/15.

Key Driver Analysis was also used to understand the underlying factors driving Agents overall Favourability towards HMRC and identified areas for further improvement.

- Fewer than half (47%) of Agents had a Favourable overall opinion of HMRC.
- 'Effectiveness of communication' was identified as the sole primary area for improvement. This was rated highly in terms of importance but relatively low on performance. Performance in 2014/15 (46%) was in line with 2013/14.
- The secondary areas of improvement identified in the Key Driver Analysis were perceptions that 'HMRC is good at collecting money but not paying it out' 'HMRC is an organisation with a good reputation' and willingness to 'Give HMRC the benefit of the doubt if criticised'.
- As in previous years, to improve overall Favourability ratings among Agents, a particular focus should be on improving the experience of larger Agents (250+ 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 Agents 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 used⁵.

2.2.2. Taxes dealt with

Chart 2.1 Products dealt with in the last three months (%)

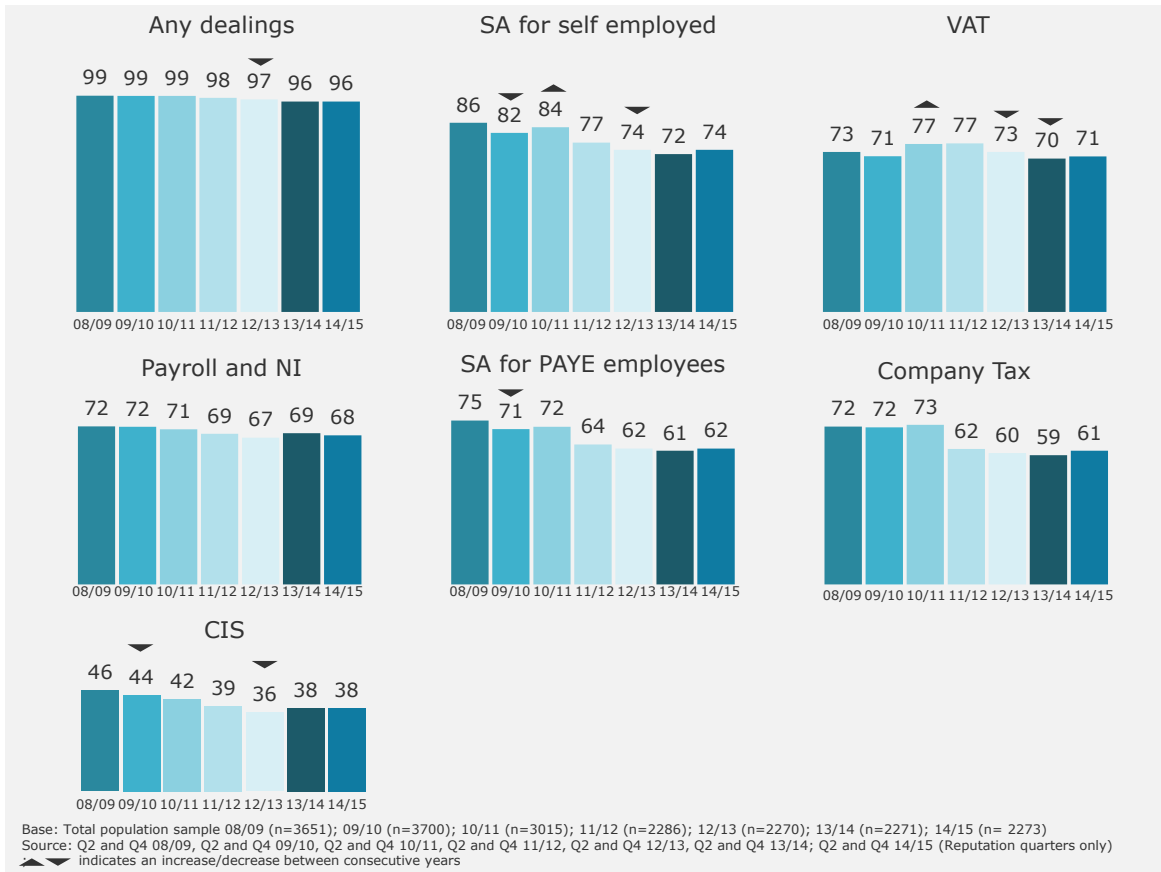


Chart 2.1 shows that in 2014/15 almost all Agents (96%) had dealt with HMRC in the previous three months.

Following two years of decline between 2010/11 and 2012/13 the extent of dealings with VAT appears to be levelling off in 2014/15.

The extent of dealings with all other products in 2014/15 remained in line with the previous year.

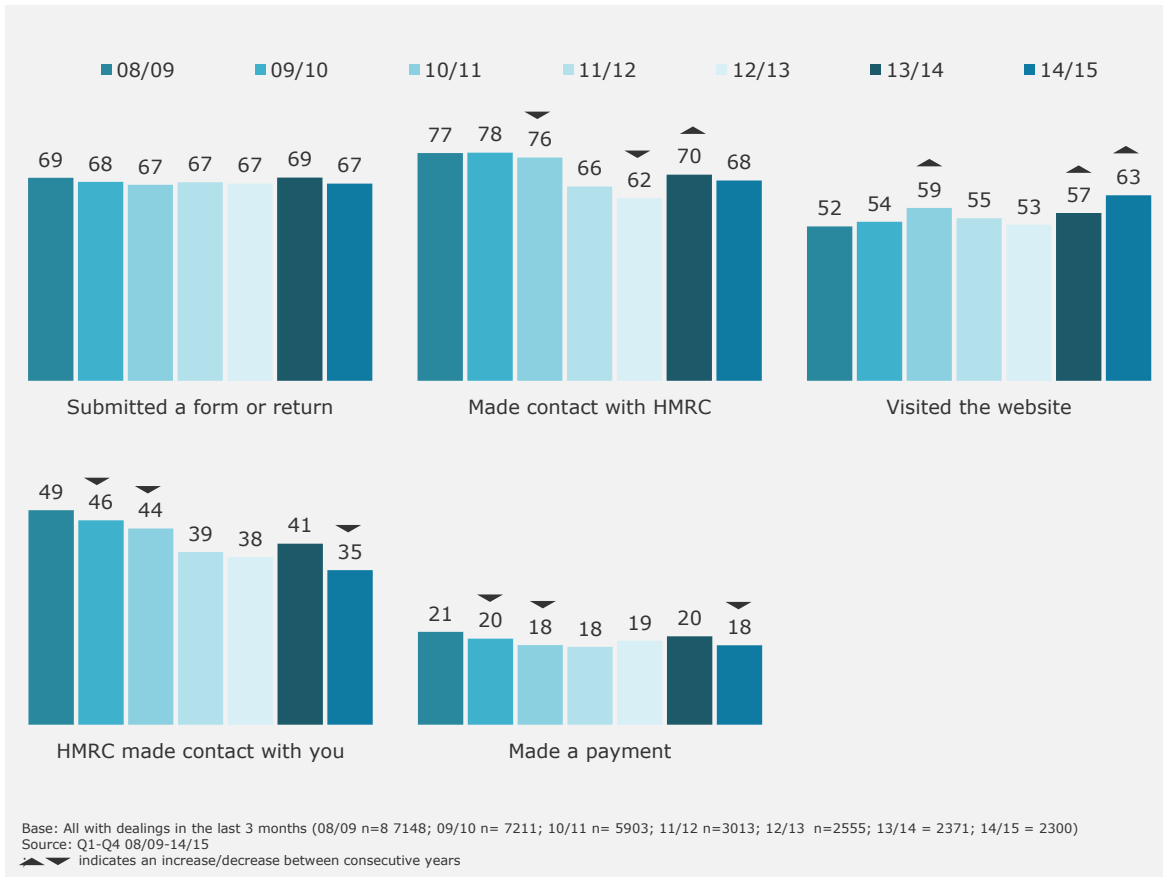
Whilst levels for Company Tax and Self-Assessment for PAYE employees were in line with 2013/14, large decreases between 2010/11 and 2011/12 suggest they may have been affected by the change in sampling frame in 2011/12.

⁵ As with the previous report, significance tests have not been carried out on against data prior to 2011/12 for products dealt with due to the change in sampling frame

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 them⁶ (Chart 2.2).

Chart 2.2 Types of dealings in the last three months (%)



The most common form of dealing with HMRC remains Agents making contact with HMRC, with levels in 2014/15 remaining consistent with the previous year, following an increase in 2013/14.

Submitting a form or return continued to be a common dealing, with 67% of Agents having done so in 2014/15, in line with previous years. The numbers of Agents having made a payment also remained consistent with previous years.

For the second consecutive year there was an increase in numbers visiting the website, from 57% in 2013/14 to 63% in 2014/15. There was however a decrease in the number of Agents who said that HMRC made contact with them in 2014/15 (down to 35% from 41% in 2013/14). This reverses the increase seen in 2013/14 and returns to the longer-term downward trend.

2.2.4. Channels of contact

Channels 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, seven

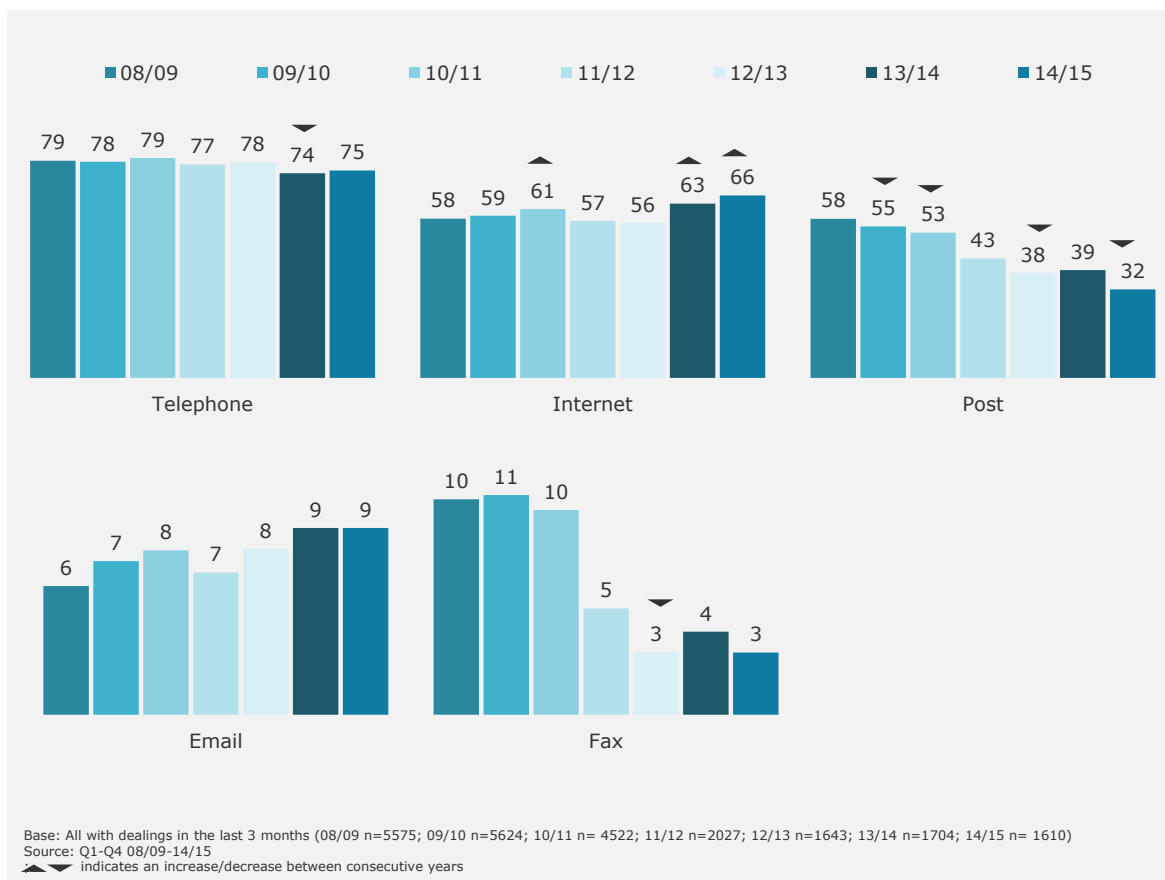
⁶ For respondents dealing with more than one type of tax, one was selected at random as the subject of all further customer experience questions.

in ten Agents (68%) who had dealt with HMRC in the previous three months reported contacting HMRC in the course of those dealings.

As in previous years Agents were most likely to have used the telephone when making contact (75%), with the number doing so remaining consistent with 2013/14 following a decrease between 2012/13 and 2013/14. The number of Agents using the Internet to contact HMRC continued to rise, from 63% in 2013/14 to 66% in 2014/15.

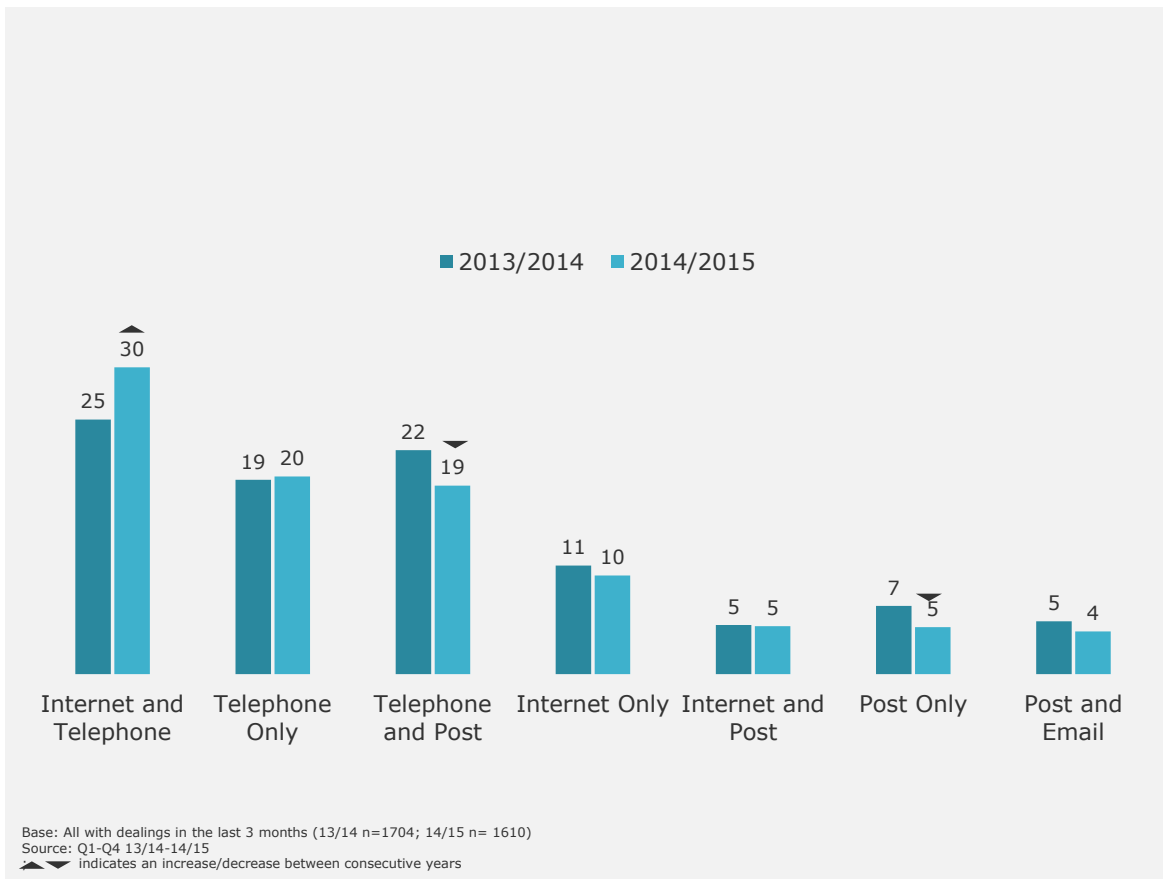
In contrast, the number of Agents contacting HMRC by post fell from 39% in 2013/14 to 32% in 2014/15. As in previous years, usage levels for email and fax remained much lower for email and fax, with only 9% and 3% of Agents respectively using each of these to make contact with HMRC.

Chart 2.3 Channels of contact in the last three months (%)



The proportion of Agents who used both the internet and the telephone to contact HMRC increased from 25% in 2013/14 to 30% in 2014/15. Twice as many Agents used the telephone as their only method of contact as used the internet as the only method of contact (20% for telephone, 10% for internet). As Agents continue to increase using both the telephone and internet, the proportion who contacted HMRC solely by post (5%), or by telephone and post (19%) has decreased in the last year (from 7% and 22% respectively in 2013/14).

Chart 2.4 Mixture of channels of contact in the last three months (%)

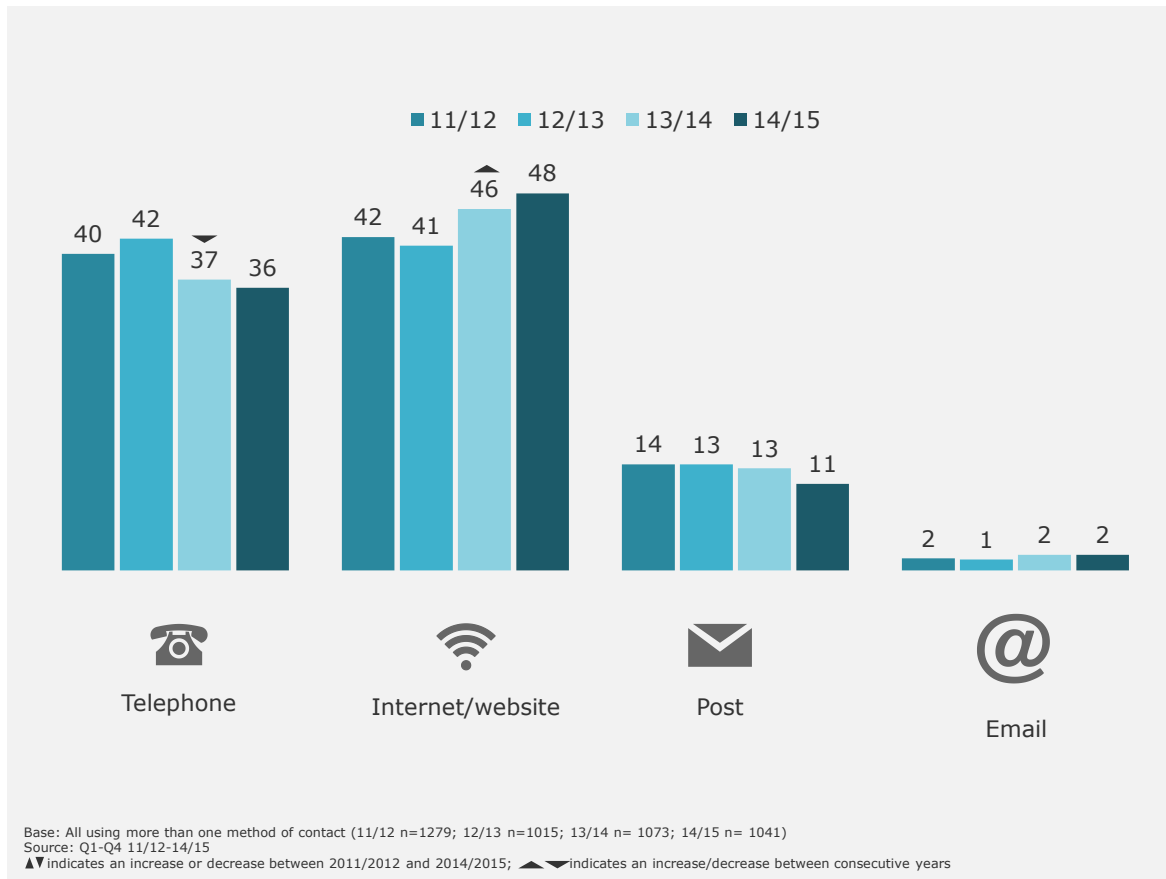


Most Agents used more than one contact method in their most recent dealing with HMRC. Two-thirds (64%) of Agents making contact used more than one method, in line with 2013/14 (62%). Where only one method was used, this was most likely to be telephone (55%), as was the case in 2013/14. This represented an increase on 2013/14 (51%) yet remains lower than the figure for 2012/13, when 59% of Agents using only one method used the telephone.

Amongst those using only one channel of contact, the number of Agents who using post as fell from 18% in 2013/14 to 13% in 2014/15, reflecting the broader decline overall.

Amongst Agents who had used more than one method, the first channel of contact was most likely to be internet (48%) (Chart 2.5).

Chart 2.5 First method of contact (%)



The most frequently mentioned reason for using an alternative channel was that Agents did not receive the information they required from their first contact (39%), with 11% who said they used an alternative channel for confirmation and reassurance. Other reasons were given at lower levels including being unable to make contact using their first method (8%) and being directed to another channel by HMRC (7%).

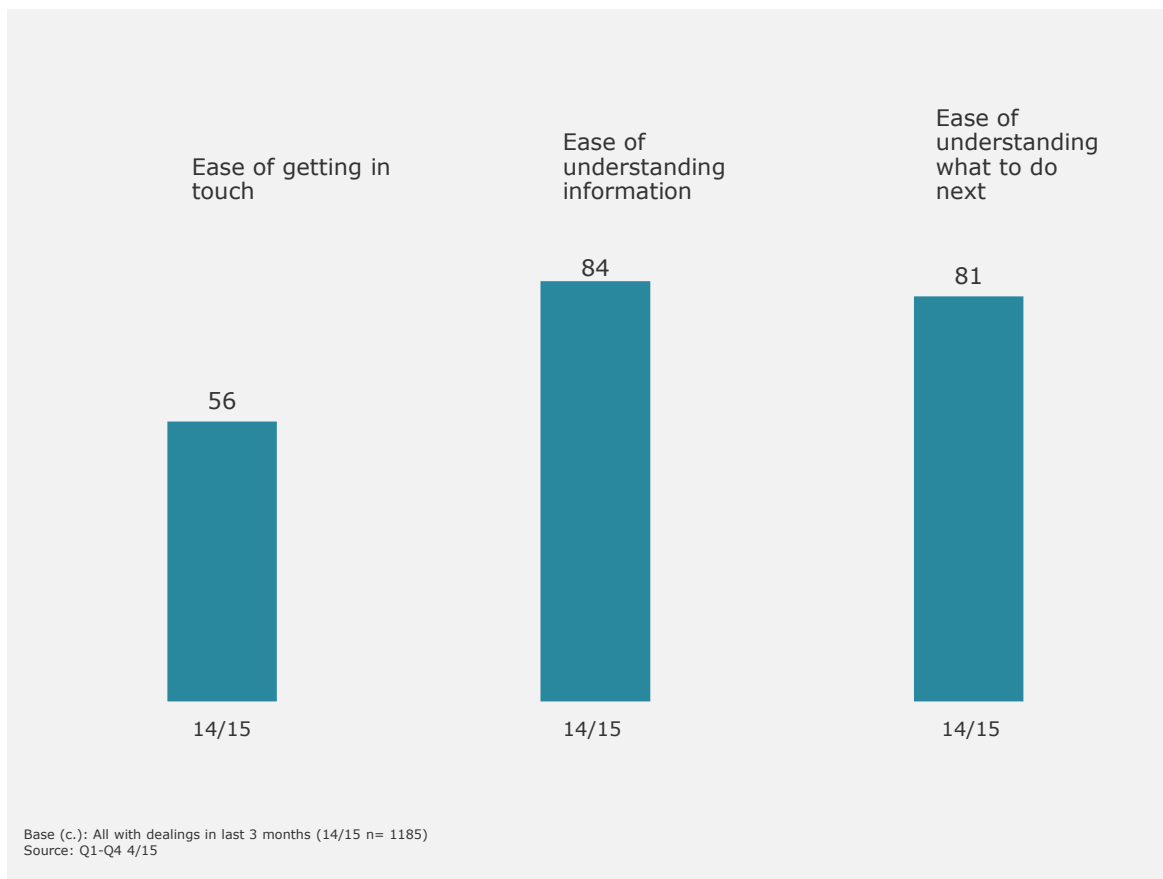
Just under two-thirds of those using more than one method to make contact (63%) said that the number of times they were in contact with HMRC was acceptable, the same score reported in 2013/14.

2.2.5. HMRC Contact Centres

A new series of questions were added to the survey in 2014/15 to understand how the Contact Centre helpline is rated by those Agents contacting HMRC via telephone. Agents were first asked whether they called the helpline or a named individual before being asked a series of questions on their experience.

Eight in ten (80%) Agents who contacted HMRC via the telephone contacted the Contact Centre helpline, with 16% contacting a named individual or other non-Contact Centre number.

Chart 2.6 Ease of dealing with HMRC Contact Centre helpline



Around six in ten (56%) Agents contacting HMRC by telephone rated the ‘Ease of getting in touch’ positively. Those contacting a named contact or other non-helpline number were more positive, with three-quarters (73%) rating the ‘Ease of getting in touch’ positively compared to half (51%) of those contacting the helpline.

Overall ratings for ‘Ease of understanding the information provided’ (84%) and ‘Ease of understanding what was needed to do next to resolve the query’ (81%) were more positive. There were no differences between contact type.

Two-thirds of those contacting HMRC via the telephone rated HMRC positively for ‘Getting things right first time’ (66%) and the ‘Acceptability of the number of times they had to speak to an adviser’ (65%). Those contacting the helpline were more positive about whether ‘HMRC got things right first time’, with 67% rating this measure positively compared to 59% of those contacting a named contact or non-helpline number.

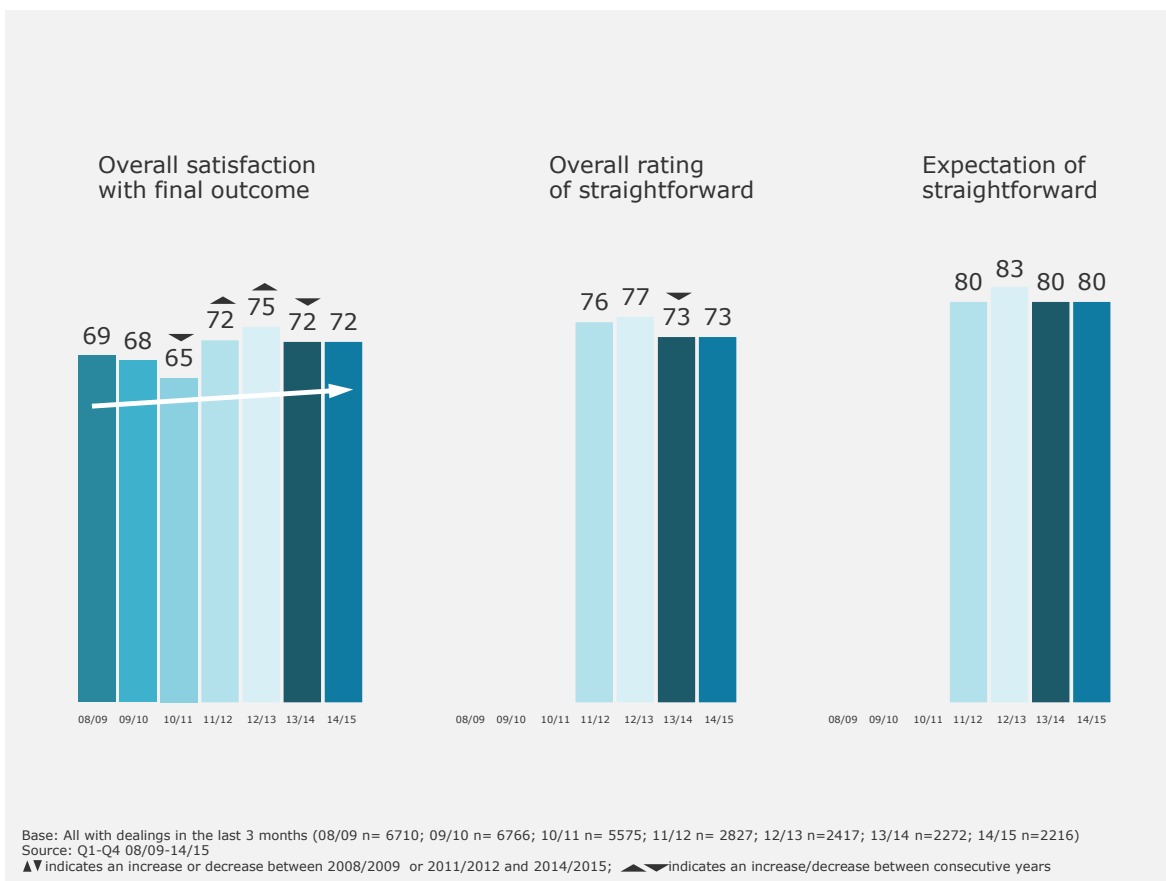
2.2.6. Overall ratings of customer experience

Overall ratings of the customer experience can be strongly influenced by two factors: satisfaction with the outcome, and prior expectations. 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 2010/11 rather than rate how Straightforward their dealing was, customers were asked to rate their overall experience, so the 2011/12 measure of 'Straightforward' forms a new baseline. In addition, a new question was added to the survey in Q2 2011/12 asking customers to state what their expectation of Straightforwardness was before their dealings began (this question was asked before the more detailed experience questions).

Three quarters of Agents (73%) said their experience was very or fairly Straightforward, in line with 2013/14 (73%), but a decrease from 2011/12 (76%) (Chart 2.7). One in five (18%) gave a negative rating, in line with 2013/14. Satisfaction with the final outcome of the dealing was rated as highly as overall Straightforwardness, with 72% of Agents very or fairly satisfied. This figure is in line with 2011/12 and shows an increasing trend from 2010/11 (65%). It also represents consistency with the score seen in 2013/14, following a decrease from 2012/13.

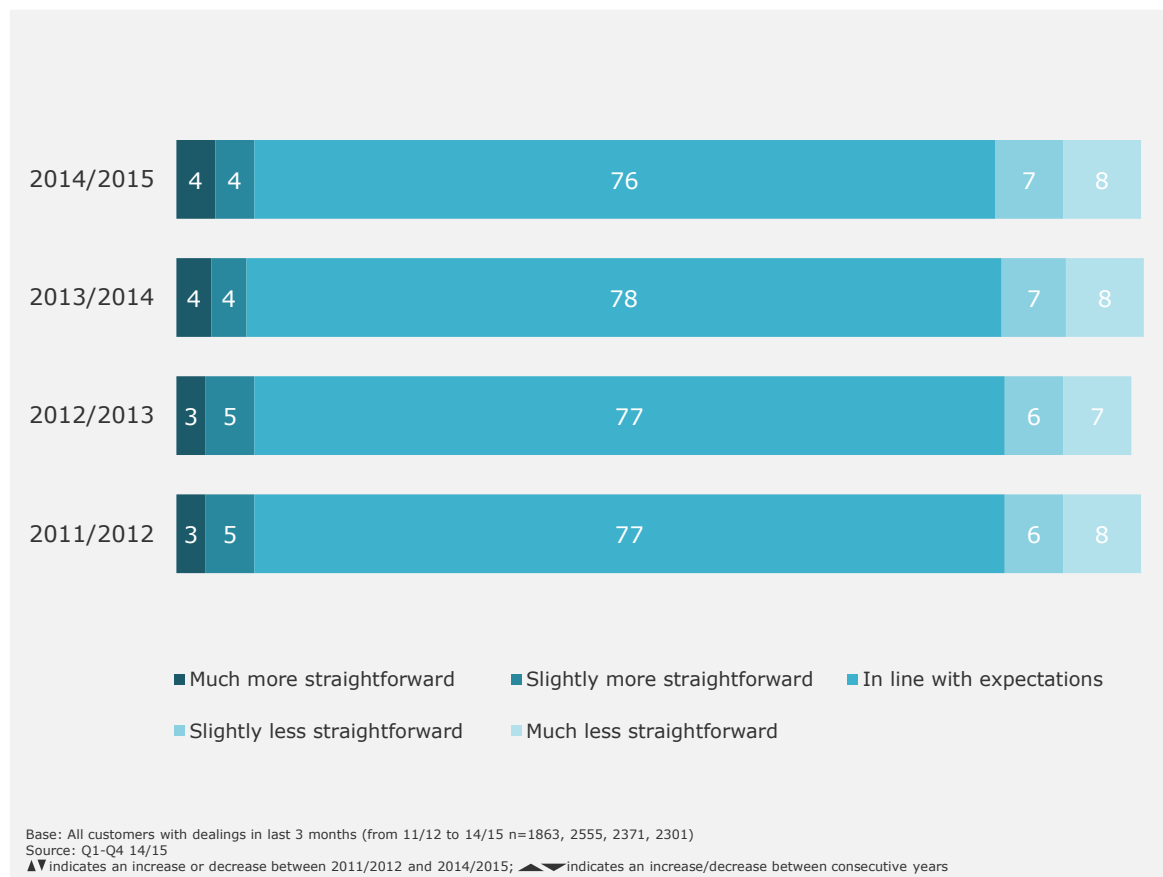
Chart 2.7 Overall ratings and expectation of customer experience (%)



In general ratings of Straightforwardness given for each product were in line with the overall rating. There were, however, some exceptions. Dealings with Self-Assessment for the self-employed were rated more highly (78%) as were dealings with VAT (78%). Conversely, dealings with Payroll and NI were rated lower (64%)

Customers were further asked whether their experience was more or less Straightforward or in line with expectations (Chart 2.8).

Chart 2.8 Experience of Straightforwardness against expectations (%)



Three-quarters of Agents (76%) said that their experience was in line with their expectation of how Straightforward it would be. As with previous years, more Agents rated it as slightly or much less Straightforward than expected (15%) than slightly or more Straightforward (8%).

There was a strong relationship between the rating of Straightforwardness against expectations and the overall rating of Straightforwardness. Among Agents who rated their experience very or fairly Straightforward, one in ten (11%) thought that experience was slightly or much 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, 41% said it was slightly or much less Straightforward than expected.

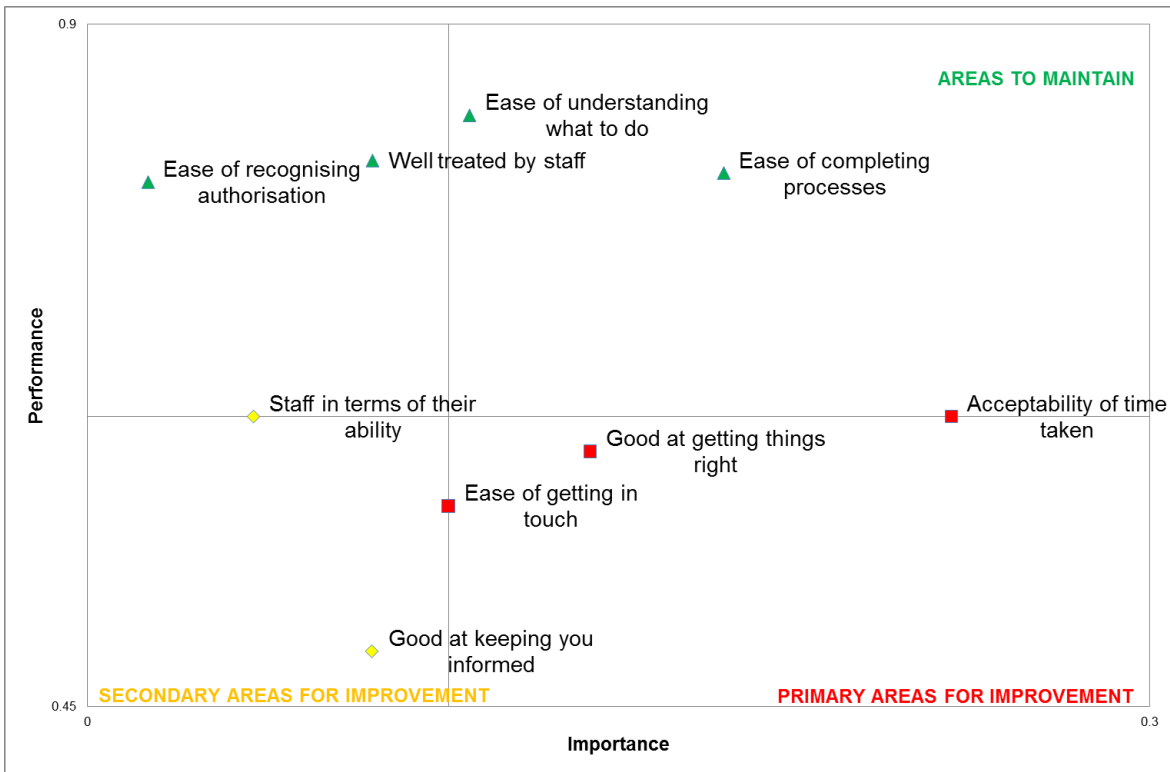
2.2.7. Dimensions of customer experience

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 1.5.2.

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 2.9) 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.

Chart 2.9 Key drivers of Straightforwardness⁷



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.

The performance score was high for ‘Ease of completing the process’, one of the strongest influences on the overall Straightforward score. This score needs to be maintained to keep the overall Straightforward score high. Three other strong performing areas were identified as needing to be maintained: ‘Ease of understanding what to do’, ‘Being treated well by staff’, and the ‘Ease of recognising authorisation’, although the latter was not particularly influential on the overall Straightforward score.

Three areas were identified as primary areas for improvement due to their relatively high influence on Straightforward scores: ‘Acceptability of time taken’, ‘Getting things right’ and the ‘Ease of getting in touch’. Of these, ‘Acceptability of time taken’ had the strongest influence on Straightforward scores (having the strongest influence of all measures) so should be a key focus for improvement. It would not need to improve too much to move into an area to maintain.

⁷ R² is 0.63 meaning that 63% of the variance can be accounted for in the model.

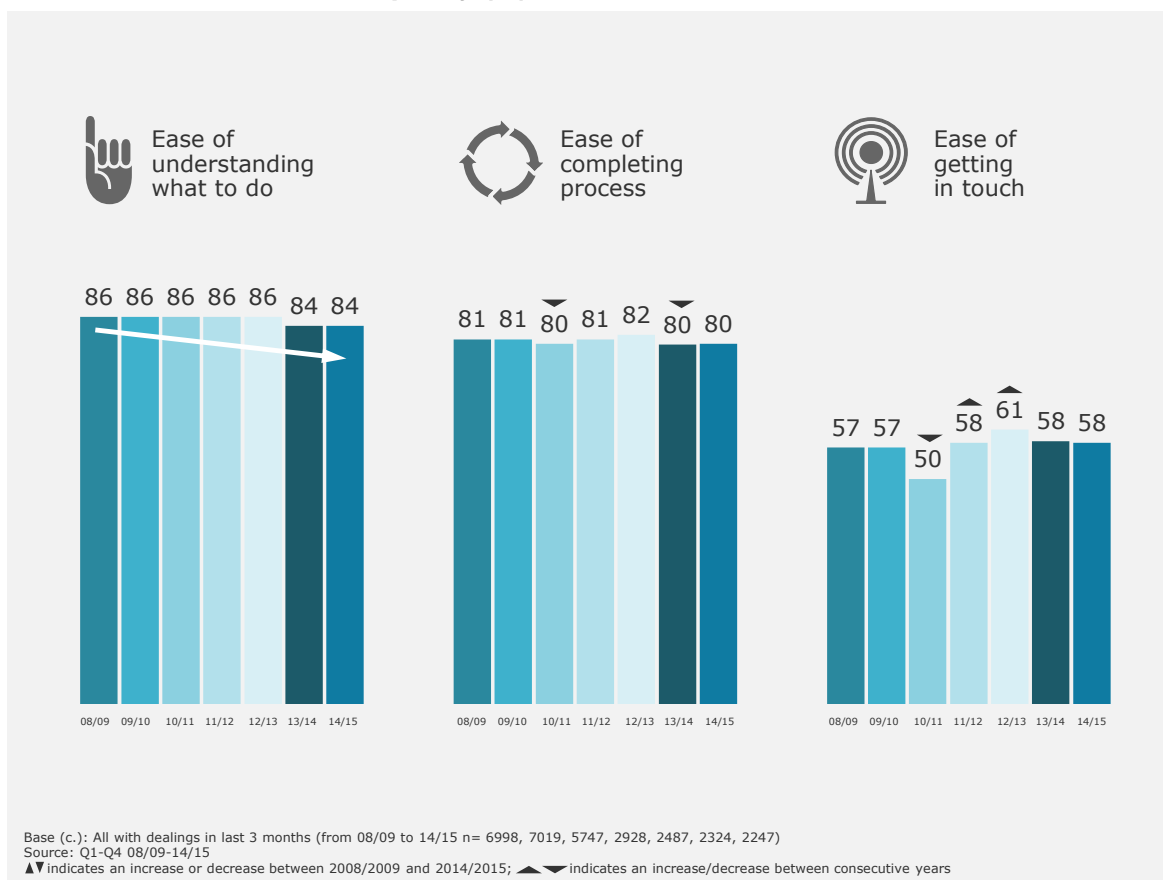
Two further areas were identified as secondary areas for improvement, 'Keeping the customer informed about progress' and 'Staff ability'.

The remainder of this section will focus on measures which have shown 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'.

Chart 2.10 Measures of Simplicity (%)



Around eight in ten Agents said it was 'Easy to understand what they needed to do' (84%) and that it was 'Easy to complete the process' (80%). Both scores remained in line with 2013/14. However, the score for 'Ease of understanding' represents a downward trend from 2010/11. Despite this both measures were identified as strong areas to maintain in the Key Driver Analysis.

The score for perceived 'Ease of getting in touch' (58%) was in line with 2013/14. This does represent an increase from 2010/11 (50%). 'Ease of getting in touch' was identified as a primary area for improvement in the Key Driver Analysis.

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.

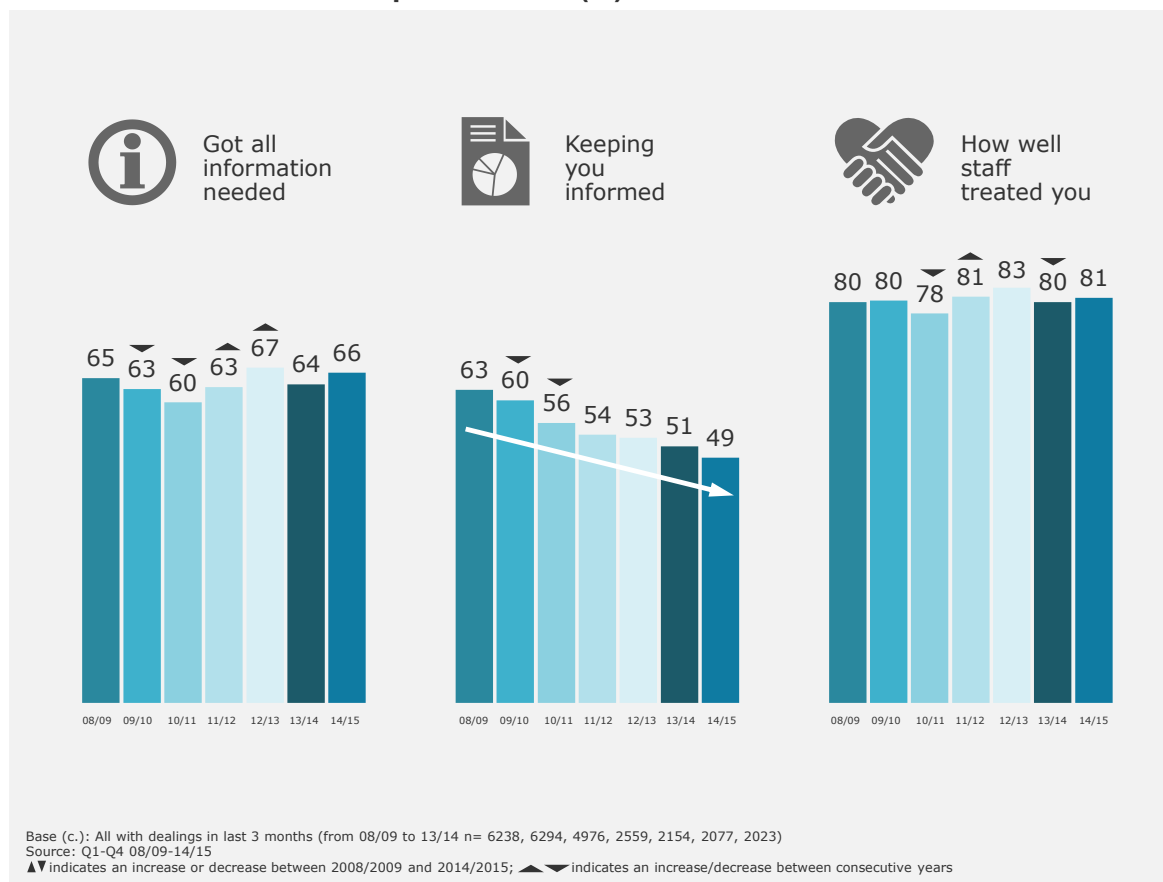
Almost seven in ten (68%) Agents dealing with Self-Assessment for the self-employed rated 'Ease of getting in touch' positively, higher than for any other product. Positive scores for Agents dealing with Payroll and NI were lower than average in 2014/15 (43%).

As might be expected, there was a relationship between the number of channels of contact an Agent had used and how they perceived the 'Ease of getting in touch'. Those using just one channel of contact were more positive (68%) than those using more than one (53%).

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 2.11 Measures of Responsiveness (%)



Two-thirds of (66%) Agents were positive about 'Getting all the information needed' from HMRC in 2014/15. This was not identified as a key area for improvement in the Key Driver Analysis (due to the relative lack of correlation with scores for Straightforward overall). Ratings on this measure varied between products. Three-quarters (73%) of Agents dealing with VAT rated this positively, compared to 63% dealing with Self-Assessment for PAYE.

'Keeping the customer informed about progress' was identified as a secondary area for improvement, and whilst over half of Agents rate this highly, scores have decreased steadily from 2010/11 (56%) to 49% in 2014/15.

This decrease was reflected in ratings for specific products, in particular Company Tax (down to 53% from 60% in 2010/11), Payroll and NI (down to 45% from 52% in 2010/11) and the

Construction Industry Scheme (down to 43% from 59% in 2010/11). VAT remained the highest rated product to deal with in 2014/15 (58%).

As in previous years, Agents who made contact with HMRC as part of their dealing were less likely to rate 'Being kept informed' positively (41%), particularly those who made contact by post (32%). Agents using multiple channels of contact were also less positive, with 37% giving this measure a positive rating (down from 42% in 2013/14), compared to 49% of Agents using one channel only.

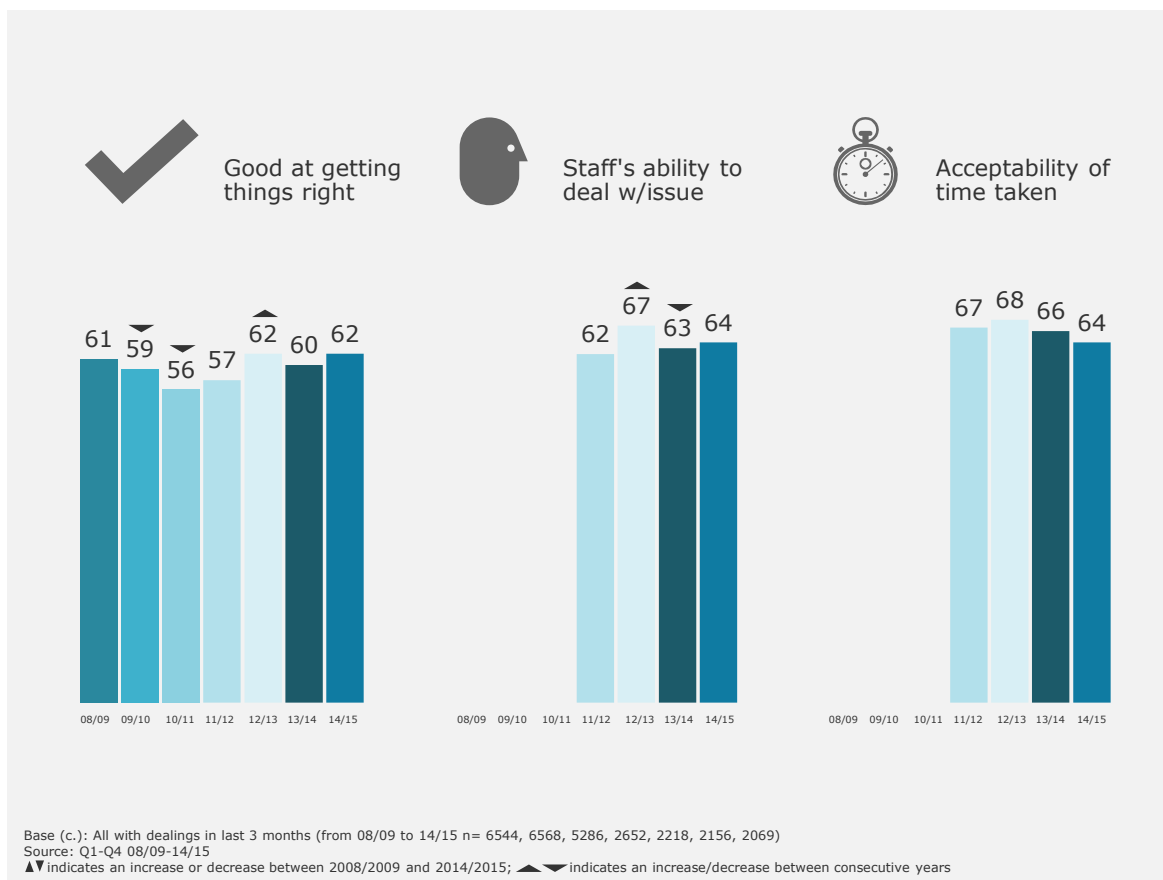
'How well staff treat Agents' was a strongly rated dimension of customer experience, with 8 in 10 (81%) rating it positively, a slight increase from 2010/11 (78%), and remaining consistent with 2013/14 following a fall from 2012/13. This measure was identified as an area to maintain in the Key Driver Analysis, with ratings generally consistent across specific products. Ratings were, however, slightly higher amongst Agents dealing with Self-Assessment for the self-employed (84%) and lower for those dealing with Payroll and NI (76%)

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 2011/12.

All three of these measures were identified as primary areas in need of improvement in 2014/15, and 'Acceptability of the time taken' was identified as the most important driver of Straightforwardness.

Chart 2.12 Measures of Reliability and Speed (%)



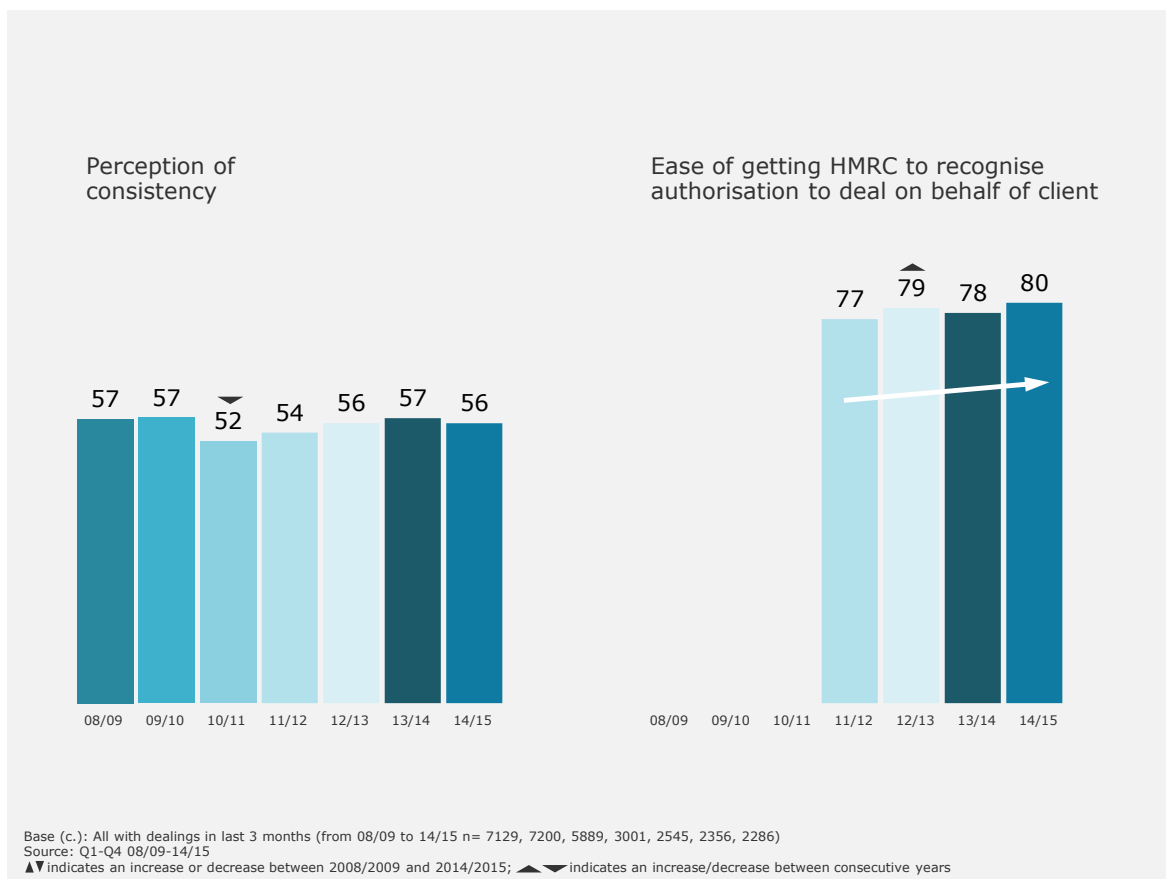
Six in ten (62%) Agents gave HMRC positive ratings for ‘How good they were at getting things right’, in line with 2013/14 (60%) and an increase from the 2010/11 baseline (56%). As in previous years, VAT was the highest rated product (69%), whilst dealings with Payroll and NI continued to have lowest proportion of positive ratings (52%). Agents who made contact by post were less positive about the ability of HMRC at ‘Getting things right’ (47%).

‘Staff’s ability to deal with the issue’ was rated positively by 64% of Agents. Agents dealing with Self-Assessment for the self-employed (67%) and VAT (70%) rated the ‘Staff’s ability’ more highly, whilst scores for dealings with Payroll and NI (57%) less positive. Those with fewer clients were also more positive (73% of those with less than 10 clients). Those making contact by post gave lower ratings (56%).

‘Acceptability of time taken to reach a final outcome’ was rated positively by 64% of Agents, in line with other years. Due to its importance and relatively low performance this is identified as a key area for improvement in the Key Driver Analysis. There is only need for a slight improvement for it to become an area to maintain. Ratings for the ‘Acceptability of time taken’ were higher for those dealing with Self-Assessment for the self-employed (71%). Ratings for most types of dealing remained consistent between 2013/14 and 2014/15. Agents with less than 10 clients (80%) were more positive, while those making contact by post (43%), and those using more than one channel of contact (57%) gave lower ratings.

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 2.13). The latter was a new measure in 2011/12.

Chart 2.13 Agent specific measures (%)



Perceptions of consistency in 2014/15 (56%) were in line with 2013/14 (57%), with a slight increase from 2010/11 (52%). Agents dealing with Self-Assessment for the self-employed were the most positive (60%).

Eight in ten Agents (80%) rated the ease of getting HMRC to recognise their authorisation to deal on behalf of their client positively, representing an upward trend from 2011/12.

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.

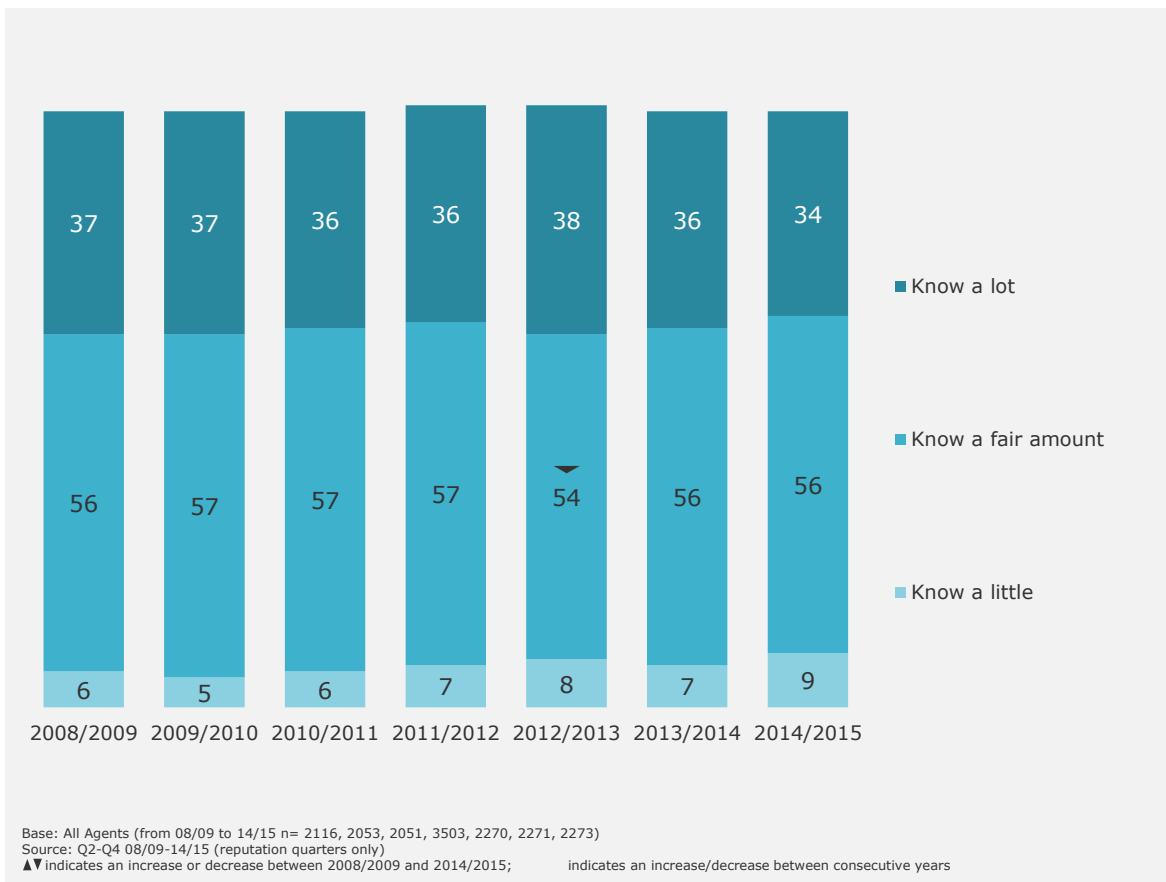
These questions were developed to provide measures to track HMRC's Reputation and to evaluate the performance of its values over time among different audiences. Questions about Reputation were asked of a representative sample of customers and not just those who had dealt with HMRC in the previous three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

Measurement of Reputation was integrated within the Customer Survey from 2008, although the measures were substantially changed at the start of the Spending Review period in 2010/11. This chapter focuses on the findings from 2014/15, and draws on any changes from 2010/11.

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 2.14 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 consistently high between 2010/11 and 2014/15 (90%).

Chart 2.14 Familiarity (%)



Such high levels of ‘Familiarity’ correspond with the level of recent dealings reported in section 2.2.1, where 96% of Agents had dealt with HMRC in the previous three months.

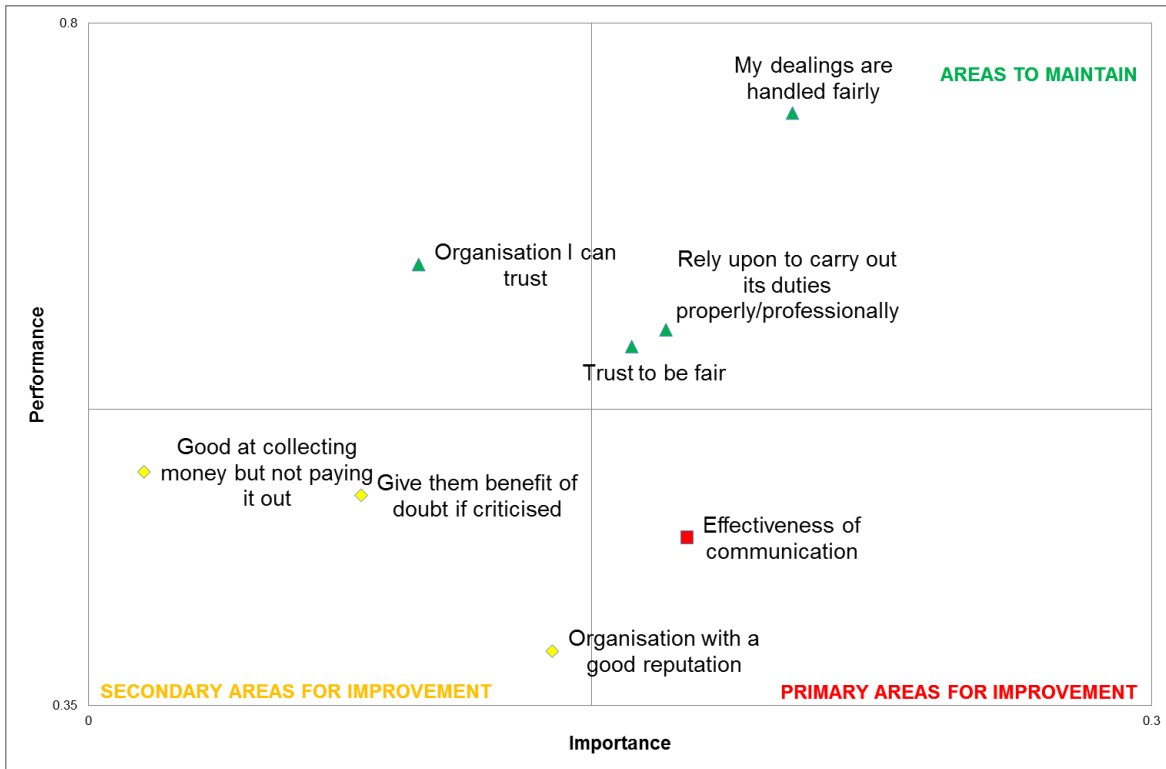
2.3.2. Measures of Reputation

The customer survey looks at several additional measures which may influence customers’ perceptions of the overall Reputation of HMRC.

2.3.3. 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 2.15). A more detailed description of Key Driver Analysis is in Appendix A.

Chart 2.15 Key drivers of overall Favourability⁸



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 that already perform well but should be maintained 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 highly rated in terms of importance, but relatively low on performance, making it a primary area for improvement. Being an ‘Organisation with a good reputation’ performed lower, but given its slightly lower importance it was identified as a secondary area for improvement.

Based on the Key Driver Analysis, the secondary focus for improvement should also cover perceptions that ‘HMRC are good at collecting money but not paying it out’ and ‘Giving HMRC the benefit of the doubt if criticised’.

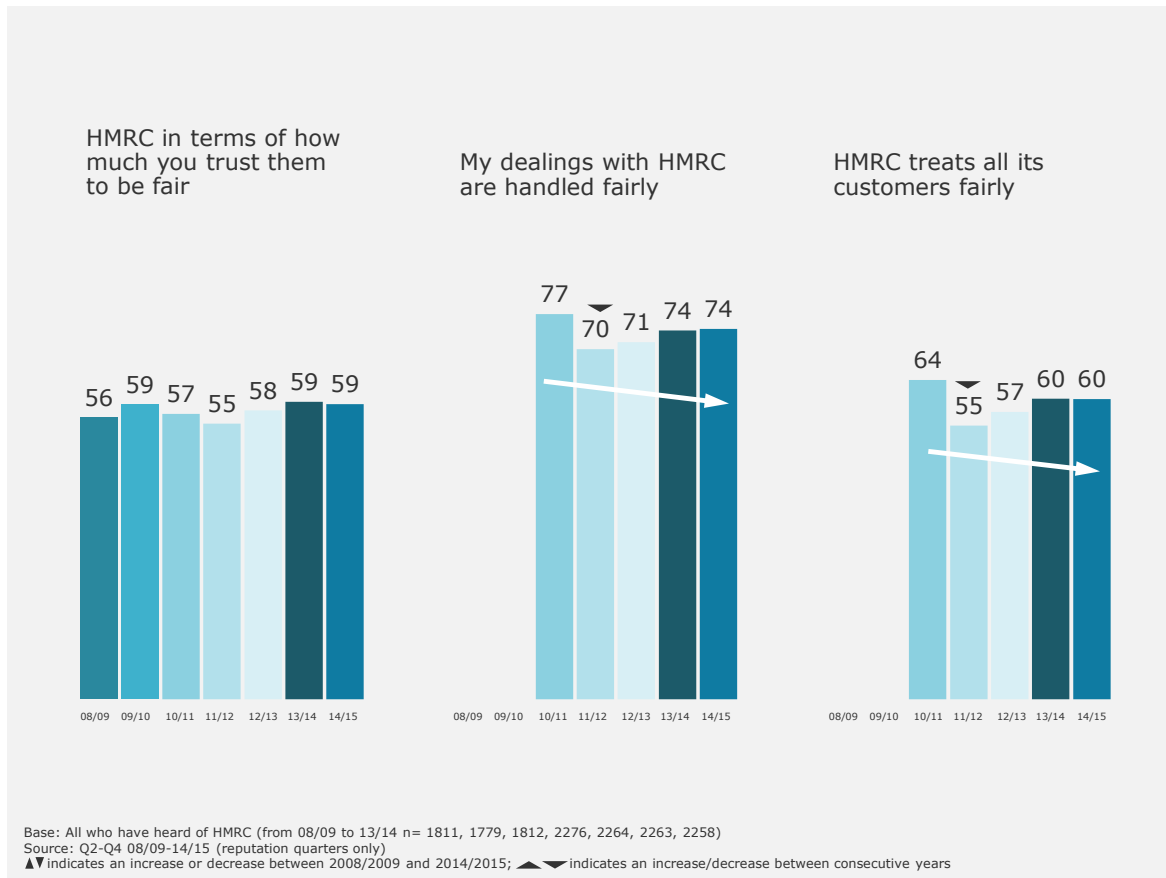
Highly rated areas that are important to overall Favourability are ‘Handling dealings fairly’, ‘Trusting HMRC to be fair’, that ‘HMRC carries out its duties properly and professionally’ and ‘HMRC being an organisation that can be trusted’. These areas should all be maintained.

2.3.4. Fairness

Fairness includes three measures; the level of ‘Trust in HMRC to be fair’, the extent to which ‘Customers feel their dealings are handled fairly’ and the extent to which ‘HMRC treats all its customers fairly’. All three measures remain consistent with 2013/14, although for the latter two this represents a longer-term downward trend from 2010/11.

⁸ R² is 0.54 meaning that 54% of the variance can be accounted for in the model.

Chart 2.16 Measures of Fairness (%)



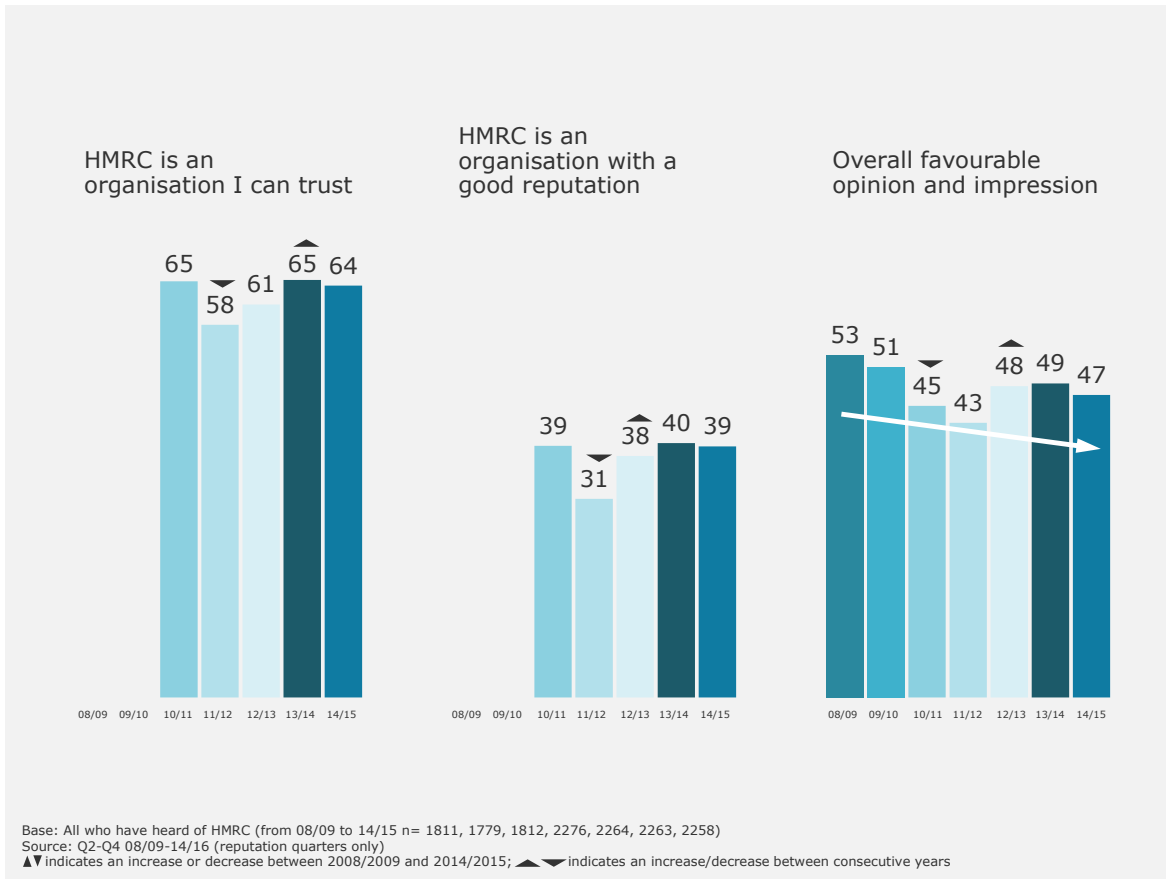
‘Trusting HMRC’ to be fair was identified as one of the most important drivers of Favourability, and is performing relatively well (59%). It is therefore an area that should be maintained. Scores have remained consistent since 2010/11 but there is scope for improvement.

The perception that their ‘Dealings are handled fairly by HMRC’ was rated positively by three-quarters of Agents (74%). This remains consistent with 2013/14 but is below the 2010/11 baseline figure, when this question was introduced (77%). Six in ten Agents (60%) said that ‘HMRC treats its customers fairly’. This score remains below the 2010/11 baseline (64%). For both these measures the downward trend was evident across all types of Agents.

2.3.5. 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’. Positive results for these measures have been maintained. The Key Driver Analysis identified HMRC as ‘an organisation with a good reputation’ as a secondary area to improve.

Chart 2.17 Measures of Favourability (%)



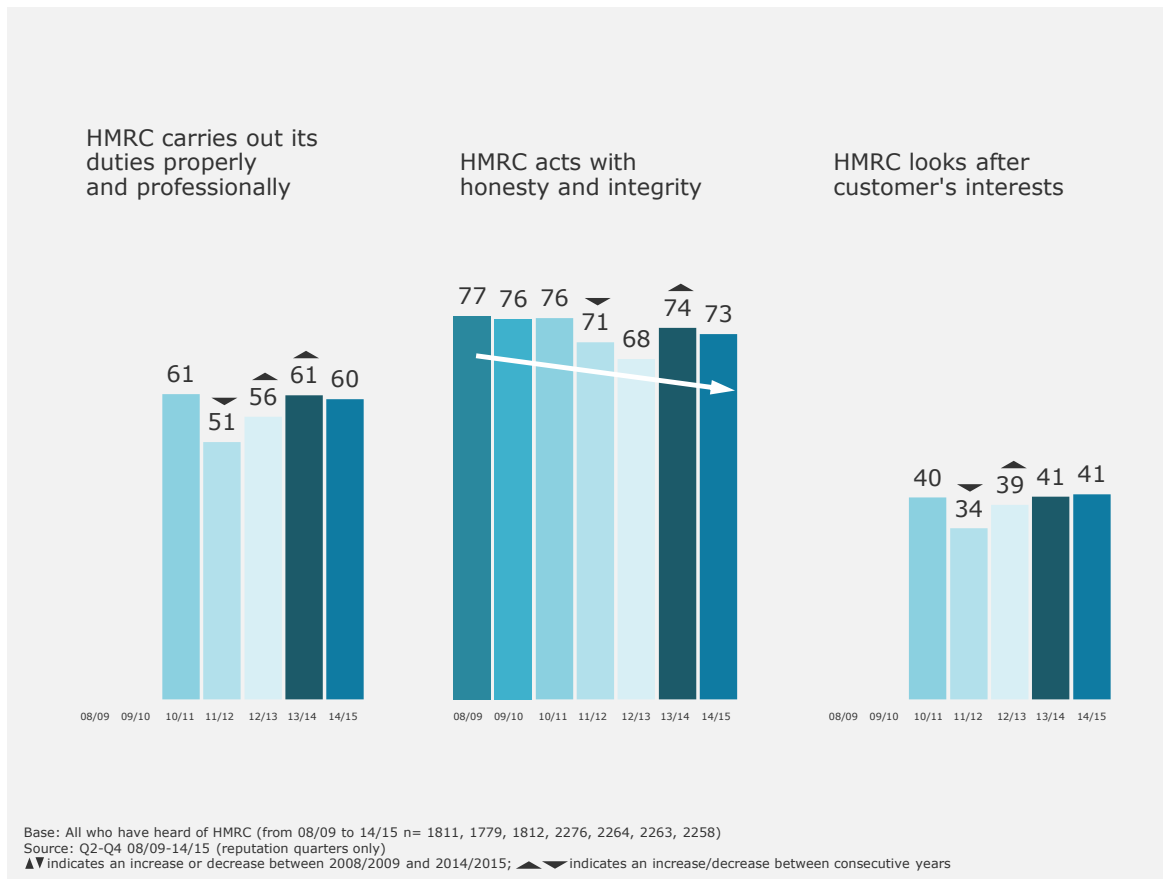
Almost two-thirds of Agents (64%) consider HMRC to be an ‘Organisation they can trust’. As such, this is identified as an area to maintain in the Key Driver Analysis. Smaller Agents in particular tended to consider HMRC a ‘Trustworthy organisation’ (76% of those with fewer than 10 clients, falling to 58% amongst those with 250 or more). Four in ten (39%) Agents thought ‘HMRC is an organisation with a good reputation’. Similarly smaller Agents were more inclined to rate ‘HMRC as an organisation with a good reputation’; (50% of those with fewer than 10 clients, falling to 33% of those with over 250 clients).

Fewer than half of Agents had a ‘Favourable opinion of HMRC’ (47%). Similarly to the other two Favourability measures, smaller Agents again gave more positive ratings for ‘Overall Favourability’ (58% of those with fewer than 10 clients, falling to 40% of those with over 250 clients).

2.3.6. 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 2.18).

Chart 2.18 Measures of Trust (%)



Ratings across all three Trust measures were consistent with 2013/14. Ratings for two measures of Trust, perceptions of ‘Carrying out duties properly and professionally’ (60%) and perceptions of whether ‘HMRC looks after customers’ interests’ (41%) remained consistent with the 2010/11 benchmark. In the Key Driver Analysis, the perception of ‘Carrying out duties properly and professionally’ was identified as an area to maintain, following an improvement in performance in 2012/13. Smaller firms were more likely to rate this measure positively (71% of those with fewer than 10 clients falling to 55% amongst those with over 250).

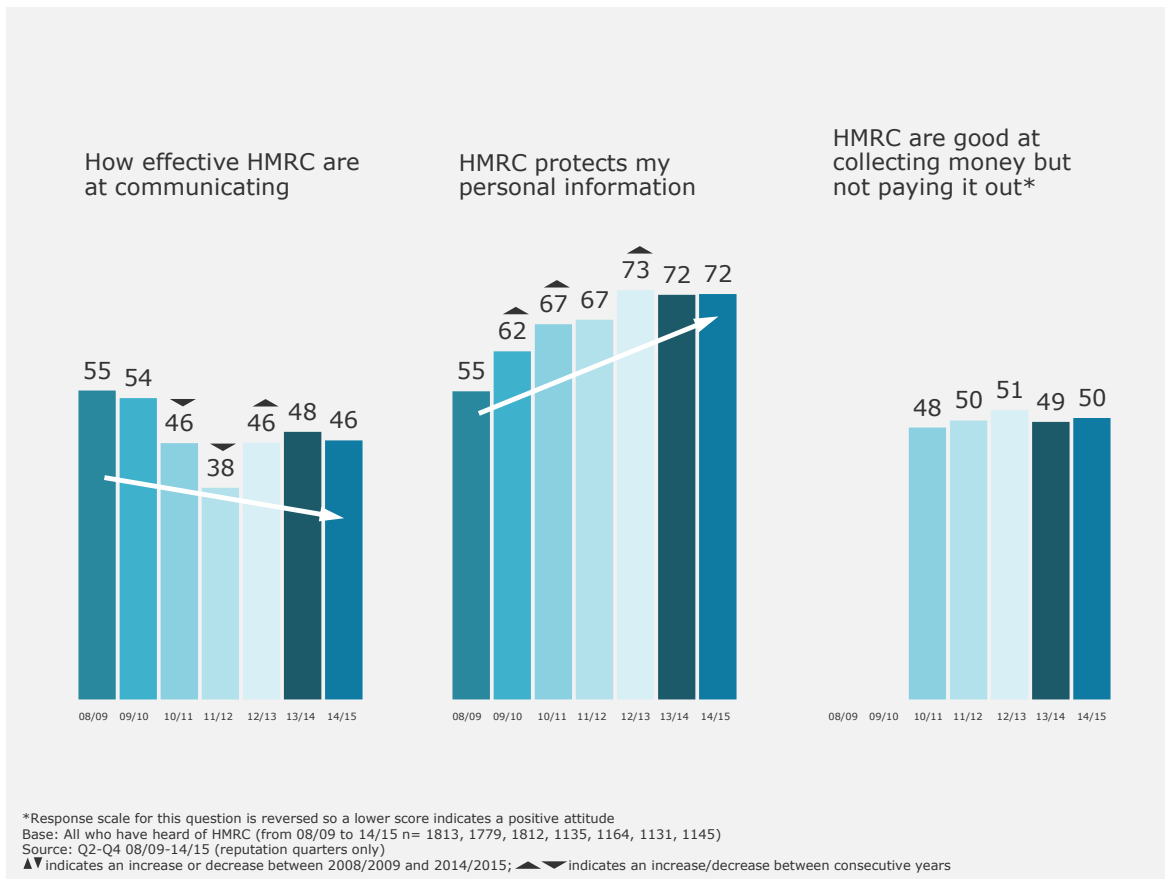
When looking at whether Agents consider that ‘HMRC looks after customers’ interests’, smaller Agents were similarly more positive, with 57% of those with less than 10 clients rating this positively, compared to 37% of Agents with more than 250 clients.

Whilst the final Trust measure, ‘Perceptions of honesty and integrity’ (73%) remained consistent with 2013/14 this represents a performance below 2010/11. As with the other Trust measures, smaller Agents were more likely to rate this measure positively (82% amongst those with less than 10 clients, falling to 68% amongst Agents with 250 or more).

2.3.7. Communications and Stories

The Communications theme comprises two measures; ‘Effectiveness of communication’ and customer perceptions of whether ‘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 2.19). The first of these measures was identified as a primary area to improve in the Key Driver Analysis.

Chart 2.19 Measures of Communications and Stories (%)



Positive ratings for ‘Effectiveness of communication’ remained consistent at 46% in 2014/15. Due to its importance in the Key Driver Analysis and relatively poor performance, this measure was identified as a primary area for improvement by the Key Driver Analysis.

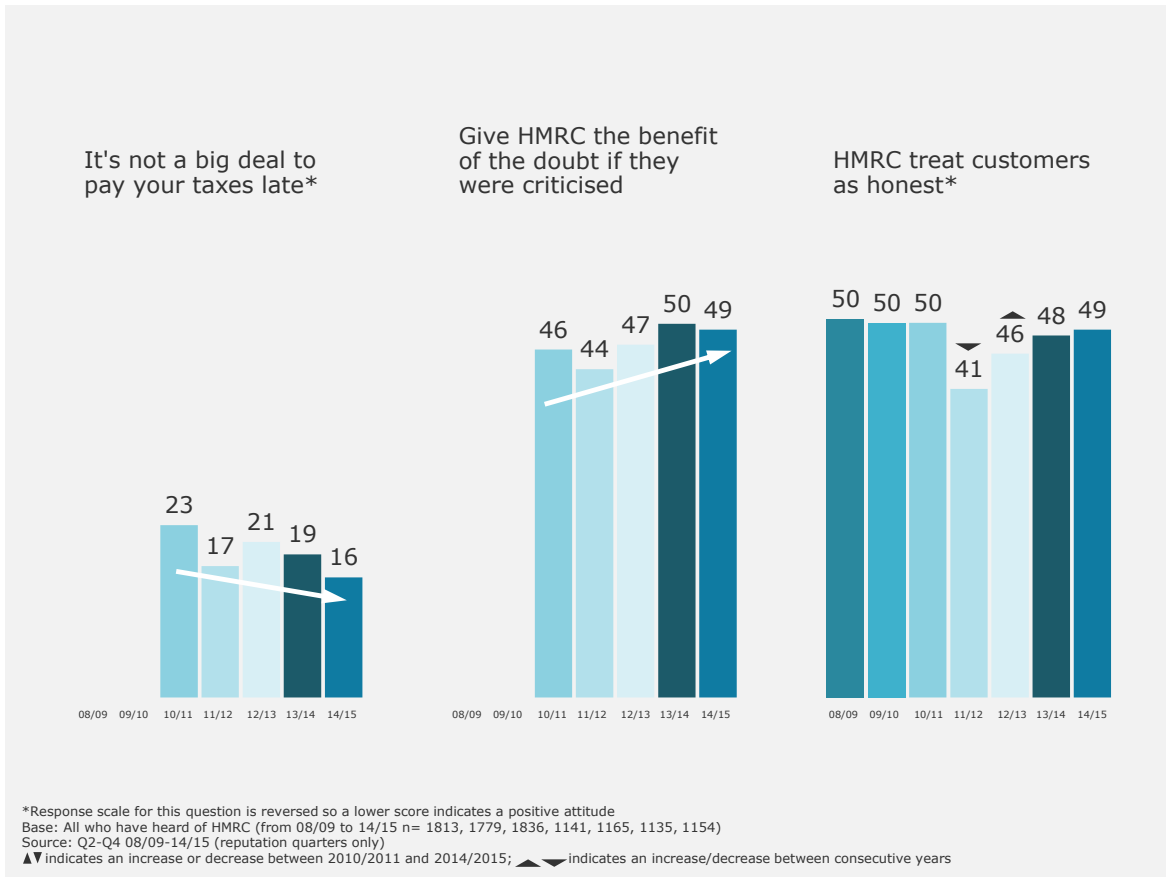
The improvement in positive scores for ‘HMRC protects my business information’ has been maintained in 2014/15 (72%). Agents with fewer than 10 clients (63%) were more likely to give a positive rating for ‘Effectiveness of communication’ than Agents with 250 clients or more (40%).

Ratings for ‘HMRC are good at collecting our money but not at paying it out’ remain at a consistent level between 2010/11 and 2014/15 (50%). The response scale for this question was reversed so a lower score indicates a positive attitude. Again, smaller Agents were more likely to give a more positive (i.e. lower) score on this measure (42% of those with fewer than 10 clients, increasing to 57% of those with at least 250 clients).

2.3.8. 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 Key Driver Analysis.

Chart 2.20 Measures of Support, Compliance and other (%)



Between 2010/11 and 2014/15 agreement that 'It's not a big deal to pay your taxes late' have remained consistently low. This has declined to 16% in 2014/15, lower than the 2010/11 benchmark. This represents a generally positive attitude in this area.

The rating for 'Giving HMRC the benefit of the doubt' if criticised in 2014/15 (49%) is also above the 2010/11 benchmark (46%). Bookkeeping firms were more likely to 'Give HMRC the benefit of the doubt' (54%).

Half (49%) of Agents agree that 'HMRC treats customers as honest'.

3. SME



3.1. Executive summary

3.1.1. Customer Experience

Nature of dealings

- Almost all SMEs recalled some dealing with HMRC in the past year (95%), with 61% having dealt with HMRC in the previous three months.

Dimensions of Customer Experience

- More than eight in ten SMEs (84%) rated the overall experience of dealing with HMRC as very or fairly Straightforward. This represents stability after the decrease in positive ratings seen in 2013/14. Only 10% gave a negative rating.
- Expectations that dealing with HMRC would be Straightforward continued to be high (82%), and in general those expectations were met.
- SMEs were generally positive about HMRC across all dimensions of experience. Particularly high positive ratings were seen:
 - in the areas of Simplicity: 'Ease of understanding what to do' (82%), and 'Ease of completing the process' (84%)
 - in the areas of Responsiveness: 'How well they were treated by staff' (85%), and 'Getting all of the information needed' (80%).
 - in one area of Reliability and Speed: 'Acceptability of time taken' (82%).
- SMEs rated the remaining measure of Simplicity, 'Ease of getting in touch', less positively (69%).

Key Driver Analysis

The aim of the Key Driver Analysis was to understand the underlying factors driving SMEs ratings of how Straightforward it is to deal with HMRC ⁹. It identifies the relative influence of each dimension of experience on the overall measure, and provides insight into the areas that need to be prioritised for improvement to keep overall ratings of Straightforward high.

- The Key Driver Analysis identified one primary area for improvement – 'Staff's ability to deal with an issue' – with eight in ten (79%) rating this positively. This measure has remained consistent since it was introduced in 2011/12 and, would only require a slight improvement in positive ratings in order for it to become an area that simply requires maintaining.
- Three secondary areas for improvement were also identified. One related to Responsiveness ('Keeping the customer informed'), one related to Simplicity ('Ease of getting in touch') and one related to Reliability and Speed ('Being good at getting things right').

3.1.2. Reputation

- Whilst ratings on most Reputation measures remain consistent with 2013/14, they have declined over the longer term.
- Ratings of overall Favourability (60%) remain consistent with 2010/11 (61%).

Key Driver Analysis was also performed to understand the underlying factors driving SMEs ratings of Favourability towards HMRC.

⁹ "Straightforward" in this context refers to the single overall measure: how straightforward was your recent experience of dealing with Revenue and Customs?

- Ratings were generally positive in areas which were important for driving overall Favourability, but three areas were identified as primary areas for improvement; 'Effectiveness of communication', 'Trust in HMRC to be fair', and perceptions that 'HMRC is an organisation with a good reputation'.
- Ratings for 'Effectiveness of communication' improved from 68% in 2013/14 to 71% in 2014/15.
- Scores for 'Trust in HMRC' have remained fairly stable across this period (69% in 2013/14 and in 2014/15). Perceptions of 'HMRC being an organisation with a good reputation' maintained the improved year-on-year performance seen in 2013/14 (60%). However, this remains below the baseline score seen in 2010/11 (64%) when this measure was introduced.
- The sole area identified as a secondary focus for improvement was 'Being relied upon to look after customers interests' (decreased from 68% in 2010/11 to 63% in 2014/15). Scores for this measure retained the year-on-year performance seen in 2013/14
- Declines in ratings were apparent across all types of SMEs, 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.

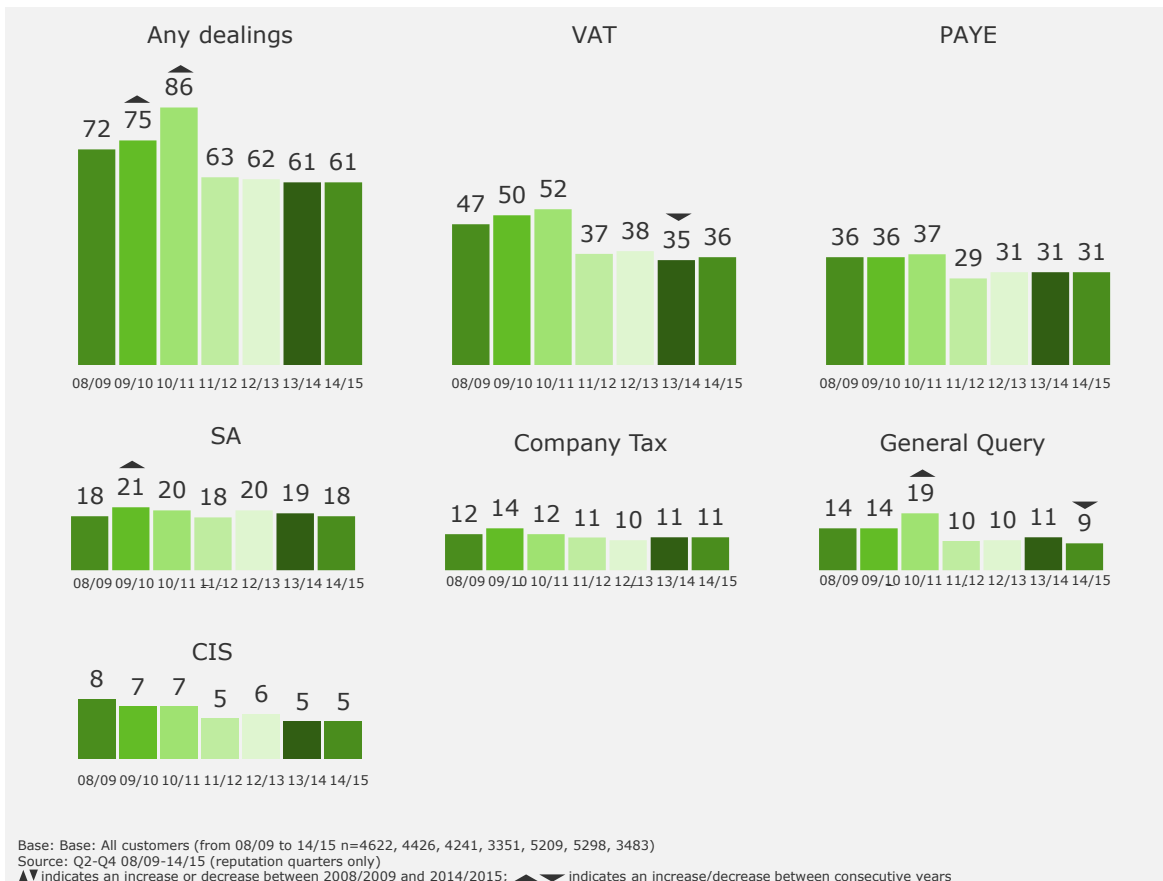
3.2.2. Taxes dealt with

Almost all SMEs (95%) recalled having dealt with HMRC in the last year. As Chart 3.1 shows, 61% of SMEs had dealt with HMRC in the previous three months.

In order to increase representativeness, there was a change of sampling approach in 2011/12 to include more SMEs operating below the VAT threshold. Due to this change, tests for significant differences have not been performed on the results prior to 2011/12.

Between 2013/14 and 2014/15 there was a similar level of dealings with HMRC by SMEs overall. The only change in the level of dealings for specific products was a decrease the number of general queries, down to 9% in 2014/15 from 11% in 2013/14.

Chart 3.1 Products dealt with in the last three months (%)



3.2.3. Types of dealings

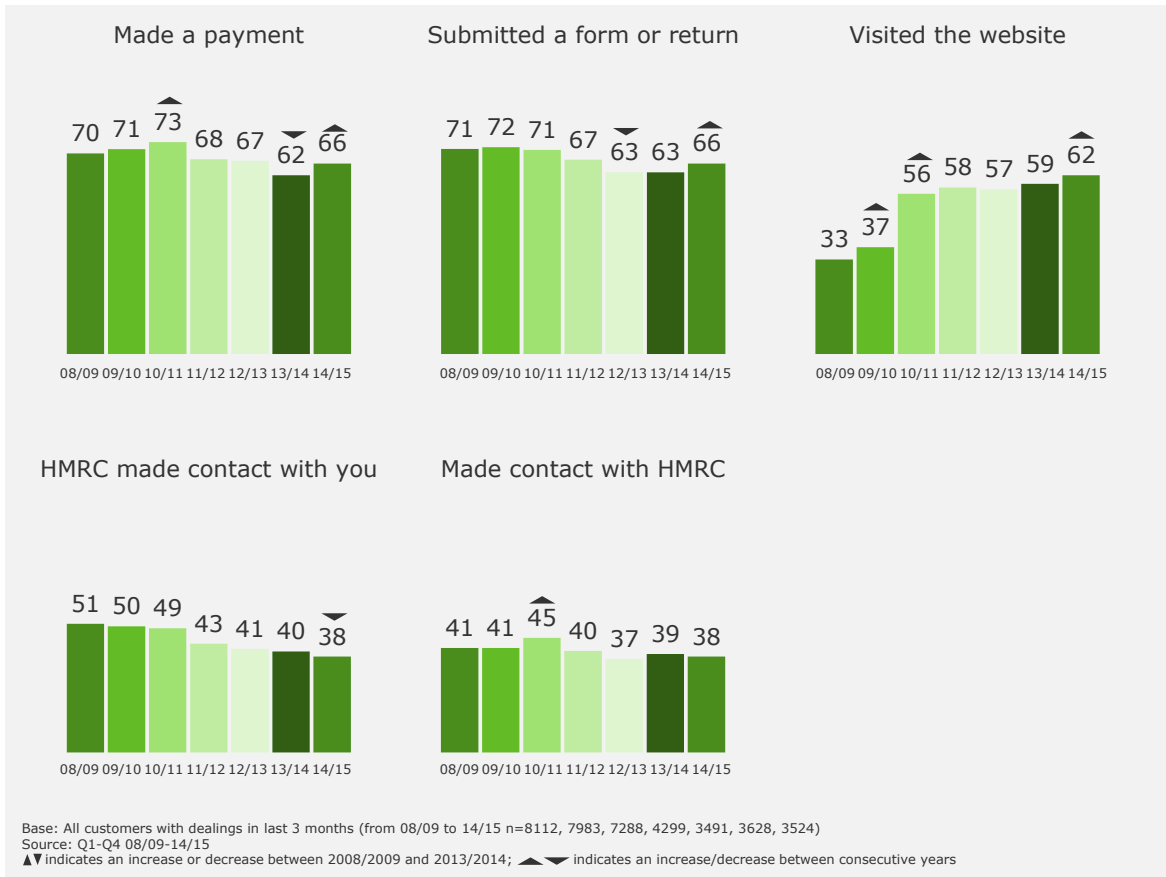
Of SMEs who had dealt with HMRC in the previous three months, most reported a variety of dealings in relation to the tax selected for them¹⁰, as shown in Chart 3.2.

Two-thirds of SMEs reported having submitted a form or return and having made a payment in 2014/15 (both 66%, an increase from 62% and 63% respectively), representing an increase from 2013/14. More than half (62%) of SMEs who reported having a dealing within the previous three months visited the website, an increase on 2013/14. Four in ten reported that HMRC made contact with them, and/or they had made contact with HMRC (both 38%), with the former representing a decrease from 2013/14.

Due to changes to the sampling approach, tests for significant differences have not been performed on results prior to 2011/12. Trends in the data could indicate relative change but these should be treated with caution.

¹⁰ 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 (%)

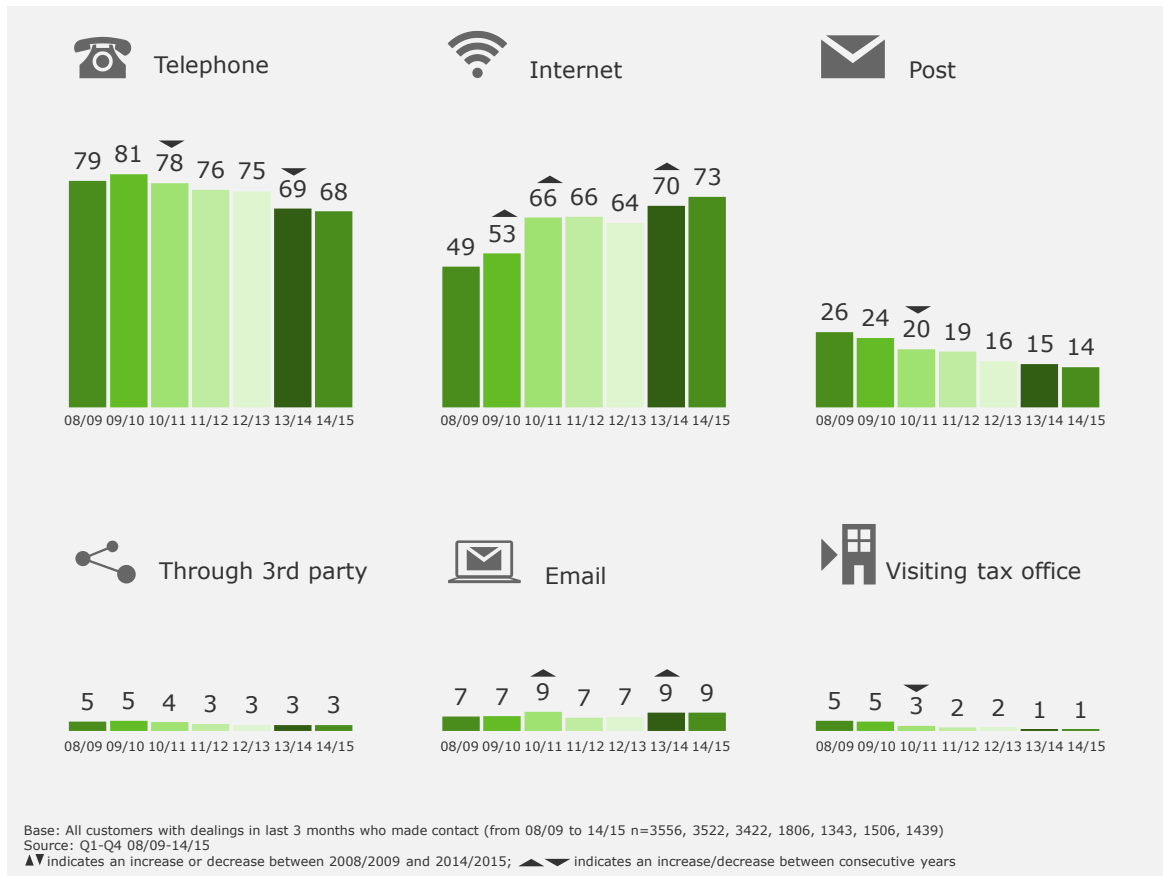


3.2.4. Channels of contact

Methods of contact can influence the customer experience. Only those who reported *making* contact with HMRC were asked which channel they used. Of SMEs with dealings in the previous three months, 38% contacted HMRC in relation to their dealing.

The internet/website and telephone continue to be the most frequently used methods for SMEs contacting HMRC (73% and 68% of those making contact respectively). Contact by post, email, through a third party or visiting a tax office were reported at much lower levels (Chart 3.3).

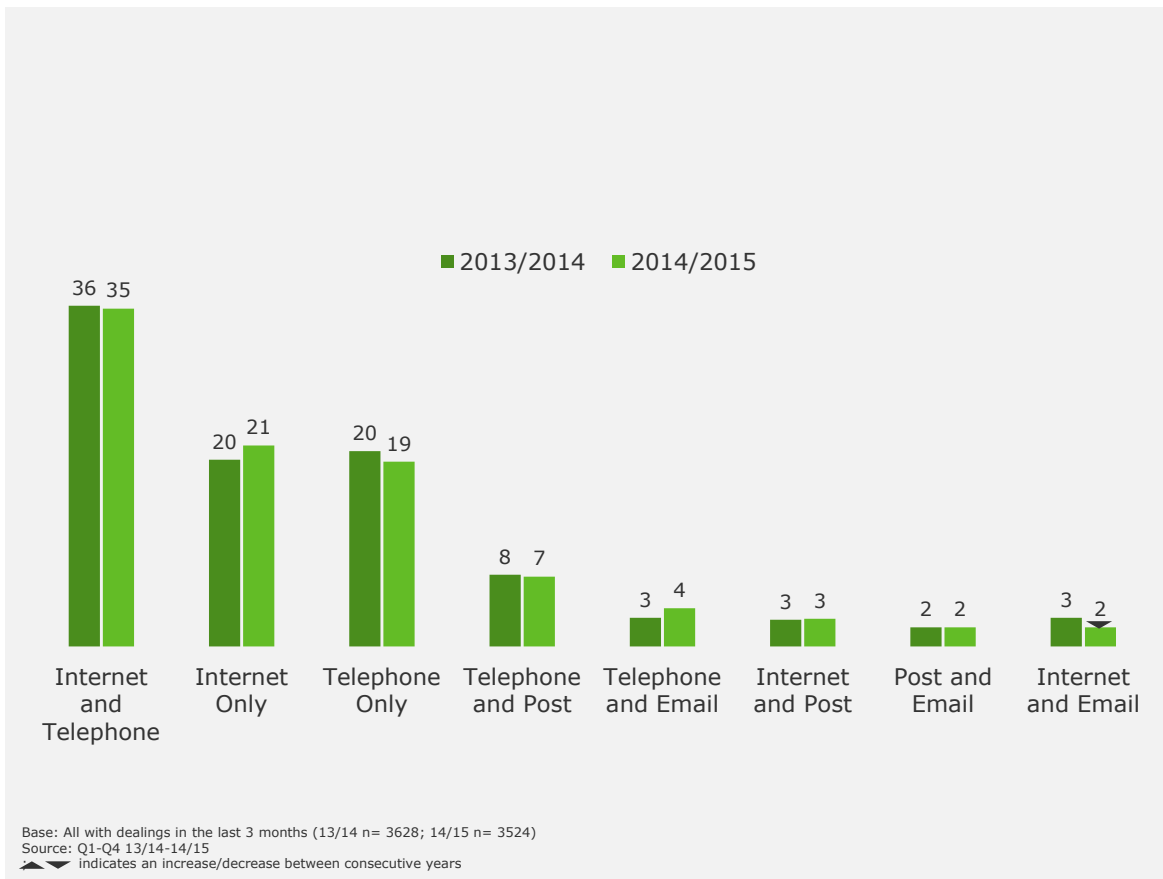
Chart 3.3 Channels of contact in the last three months (%)



More than half of SMEs used more than one method to contact HMRC regarding their most recent dealing (56% of those making contact). For customers using only one method, this was most likely to be the internet (48%) or telephone (44%).

SMEs who made contact were most likely to use a combination of internet and telephone (35%) to contact HMRC. One in five (21%) used the internet only and a similar proportion of SMEs used the telephone only (19%).

Chart 3.4 Channels of contact used in combination in the last three months (%)

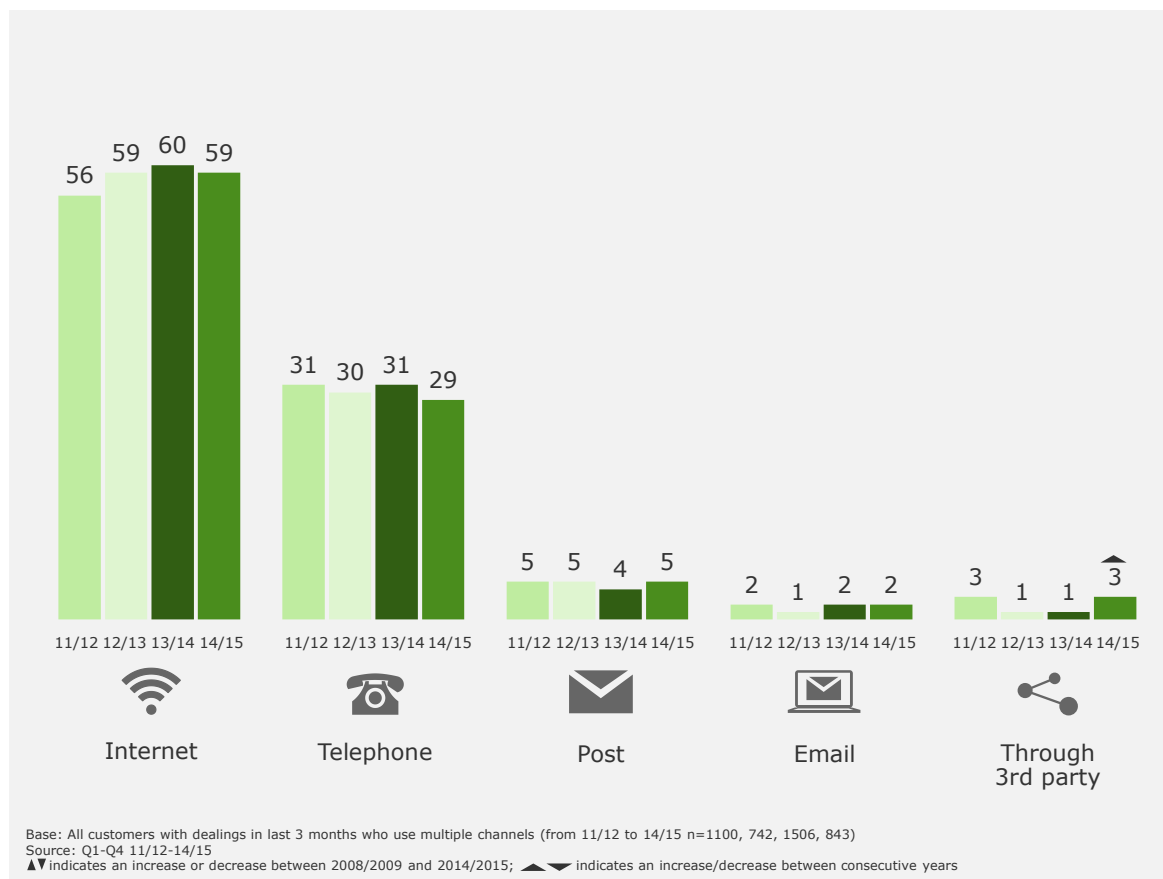


In 2011/12, a series of new questions were added to put dealings into further context. Amongst customers who had used more than one method to contact HMRC, the first channel used was most often the internet (59%), with telephone the next most likely channel (29%). This remains in line with previous years. Whilst reported at a lower level, there was an increase in the number of SMEs using a third party as their first channel of contact in 2014/15 (3%).

As noted in 2013/14, the level of internet usage suggests an increasing number of SMEs now tend to use the internet instead of the telephone to contact HMRC. This is in line with HMRC’s Digital by default strategy¹¹, for encouraging internet usage.

¹¹ HMRC Digital Strategy: 2014
<https://www.gov.uk/government/publications/hmrc-digital-strategy-2014/hmrc-digital-strategy-2014>

Chart 3.5 First channel of contact (%)



About four in ten (37%) SMEs using an alternative channel did so because they did not get the information they required at the first attempt, making this the most frequently mentioned reason. One in ten customers sought confirmation or reassurance (13%) or were directed to another channel by HMRC (10%). Other reasons were reported at a lower level.

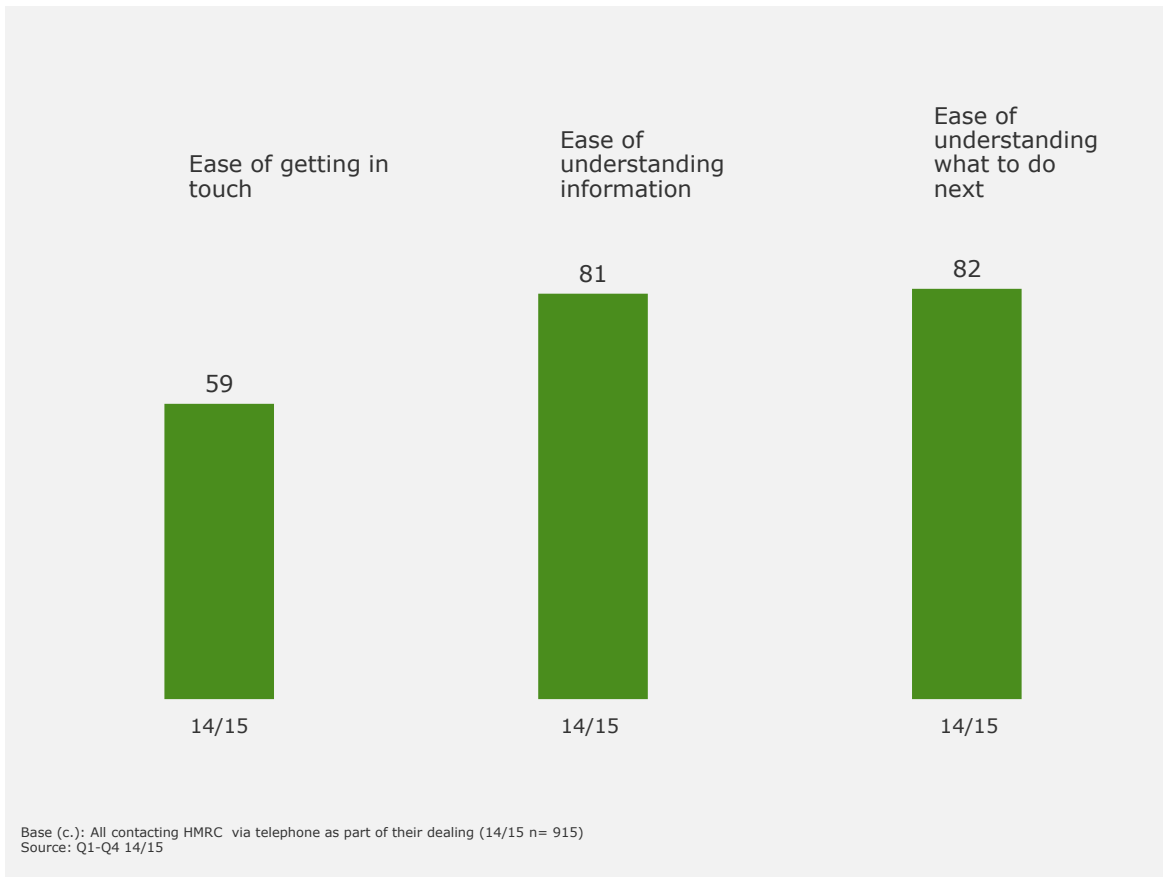
Following a decline in 2013/14 (down to 6% from 12% in 2012/13) the number of SMEs who said they had only used the web to get information before using their planned method of contact increased (11%). Of those using more than one channel, three quarters of customers said that the number of times they were in contact with HMRC was acceptable (73%).

3.2.5. HMRC Contact Centres

A new series of questions was added to the survey in 2014/15 to understand how the Contact Centre helpline is rated by SMEs contacting HMRC via telephone. Businesses were first asked whether they called the helpline or a named individual before being asked a series of questions on their experience.

Eight in ten of those contacting HMRC via telephone as part of their dealing contacted the HMRC Contact Centre helpline (83%) with just one in ten (13%) contacting a named adviser or other non-helpline number.

Chart 3.6 Ease of dealing with HMRC Contact Centre helpline

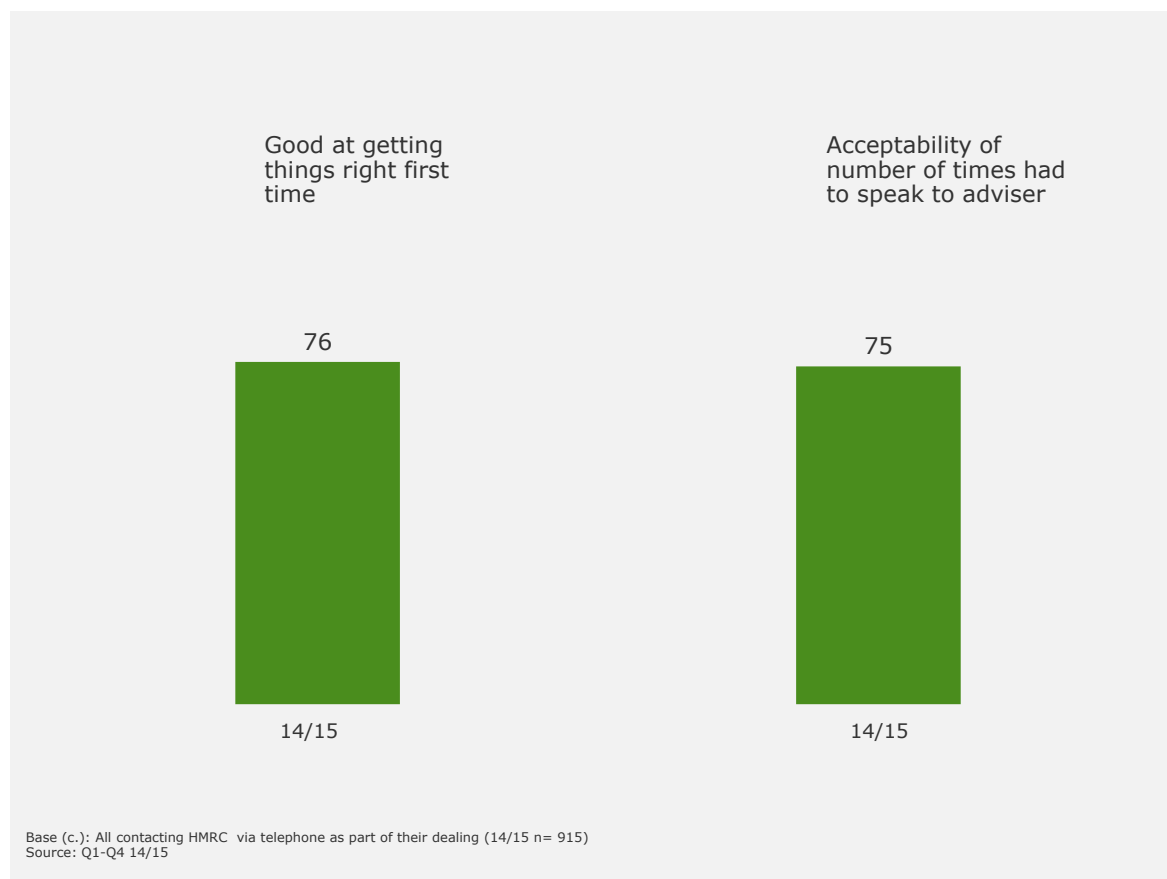


Six in ten (59%) SMEs contacting HMRC via telephone rated the 'Ease of getting in touch positively'. Those contacting a named adviser or other non-helpline number were noticeably more positive, with 81% rating 'Getting in touch' as easy compared to 56% of those contacting the Contact Centre helpline.

Ratings were stronger for the 'Ease of understanding the information provided' (81%) and the 'Ease of understanding what to do next' (82%). Again, those contacting a named contact or non-helpline number were more positive about the 'Ease of understanding the information provided' (87% versus 79% of those contacting the helpline).

Three quarters of SMEs rated HMRC positively on 'Getting things right first time' (76%) and the acceptability of the number of times they had to speak to an adviser (75%). No difference was seen between those who contacted the general helpline and those contacting a named adviser or non-helpline number (Chart 3.7).

Chart 3.7 HMRC Contact Centres: Other Measures



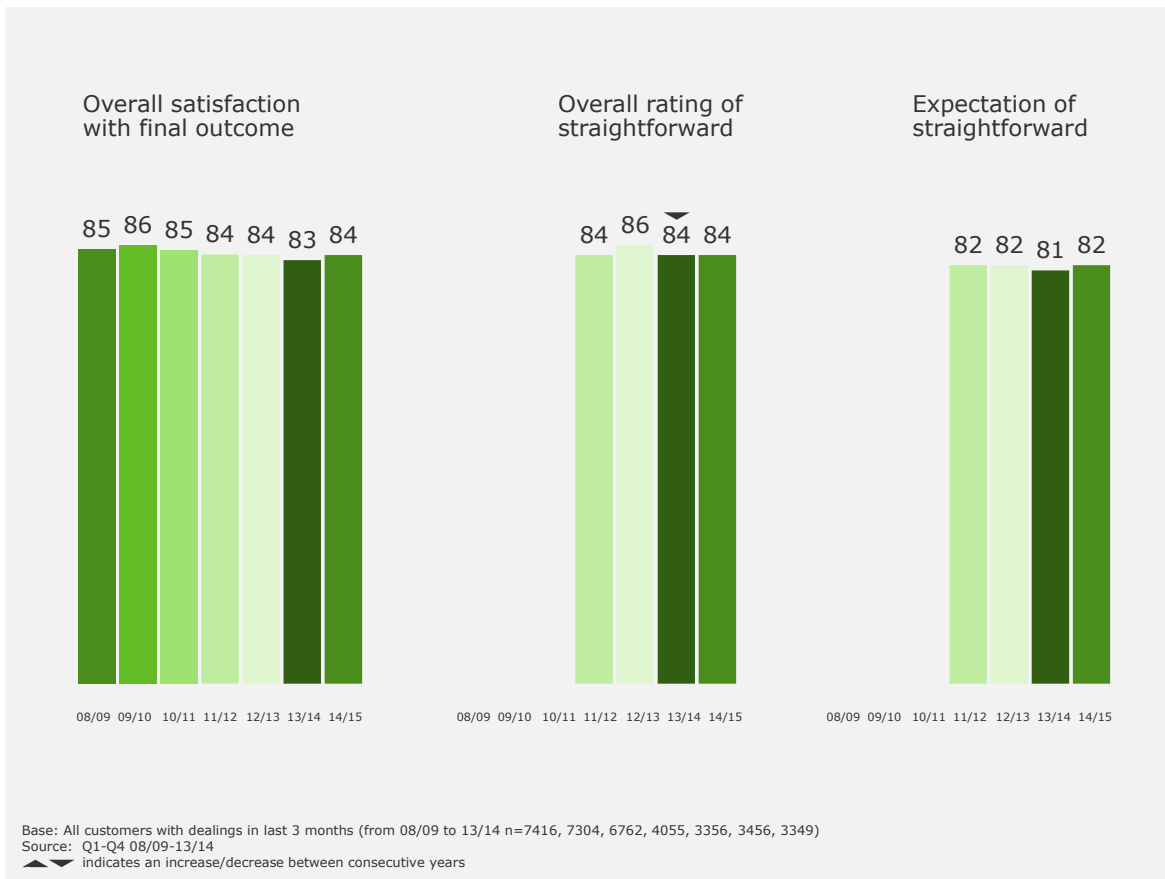
3.2.6. Overall ratings of customer experience

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 may be more 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 2010/11 rather than rate how straightforward their dealing was, customers were asked to rate their overall experience, so the 2011/12 measure of 'Straightforward' forms a new baseline. In addition, a new question was added to the survey in Q2 2011/12 asking customers to state what their expectation of Straightforwardness was before their dealings began (this question was asked before the more detailed experience questions).

Chart 3.8 Overall ratings and expectation of customer experience (%)



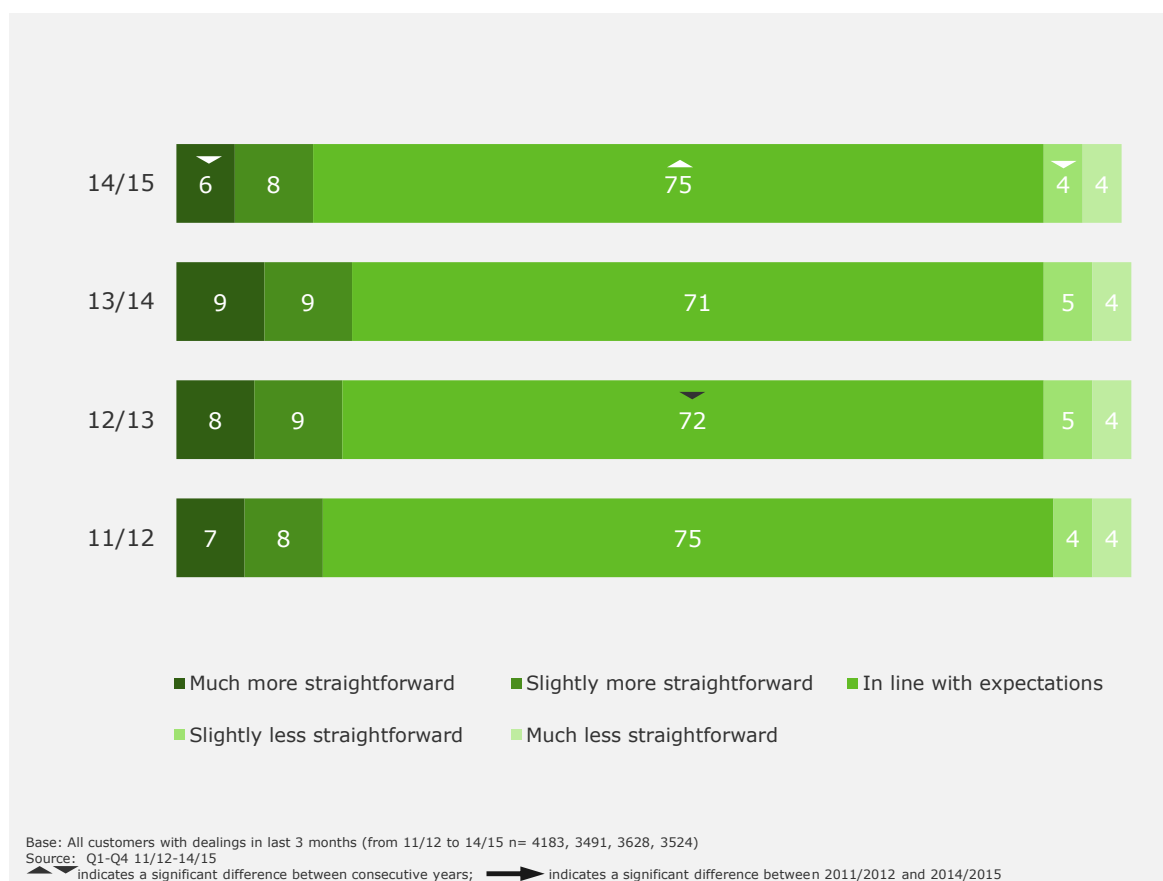
Over eight in ten SMEs said their experience was very or fairly Straightforward (84%). This represents a consistent performance. Only one in ten (10%) gave a negative rating.

Satisfaction with the final outcome was rated equally highly, with 84% very or fairly satisfied. This measure has remained at a consistent level.

For ratings of Straightforward, there was some difference dependent upon the tax dealt with. A more positive rating was given for VAT (91%) than for all ratings combined, whilst ratings for those dealing with a general query were lower, with only two thirds (68%) rating this measure positively.

Customers were further asked whether their experience was more or less Straightforward or in line with expectations (Chart 3.9).

Chart 3.9 Experience of Straightforwardness against expectations (%)



Compared to last year, fewer SMEs found their dealing was much more Straightforward than expected (6%), - or more Straightforward overall (14%). The shift in perceptions led to an increased number of customers who said that their experience was in line with expectations (79%).

There was a strong relationship between experience compared with expectations and the overall rating of Straightforward. For SMEs who rated their experience as very or fairly Straightforward, eight in ten (79%) said it was in line with expectations, with almost all (96%) saying it was in line with expectations or more Straightforward than expected.

Amongst those who rated their experience neutrally or negatively, six in ten (59%) said that it was in line with their expectations, whilst 38% said that it was slightly or much less Straightforward than expected.

3.2.7. Dimensions of customer experience

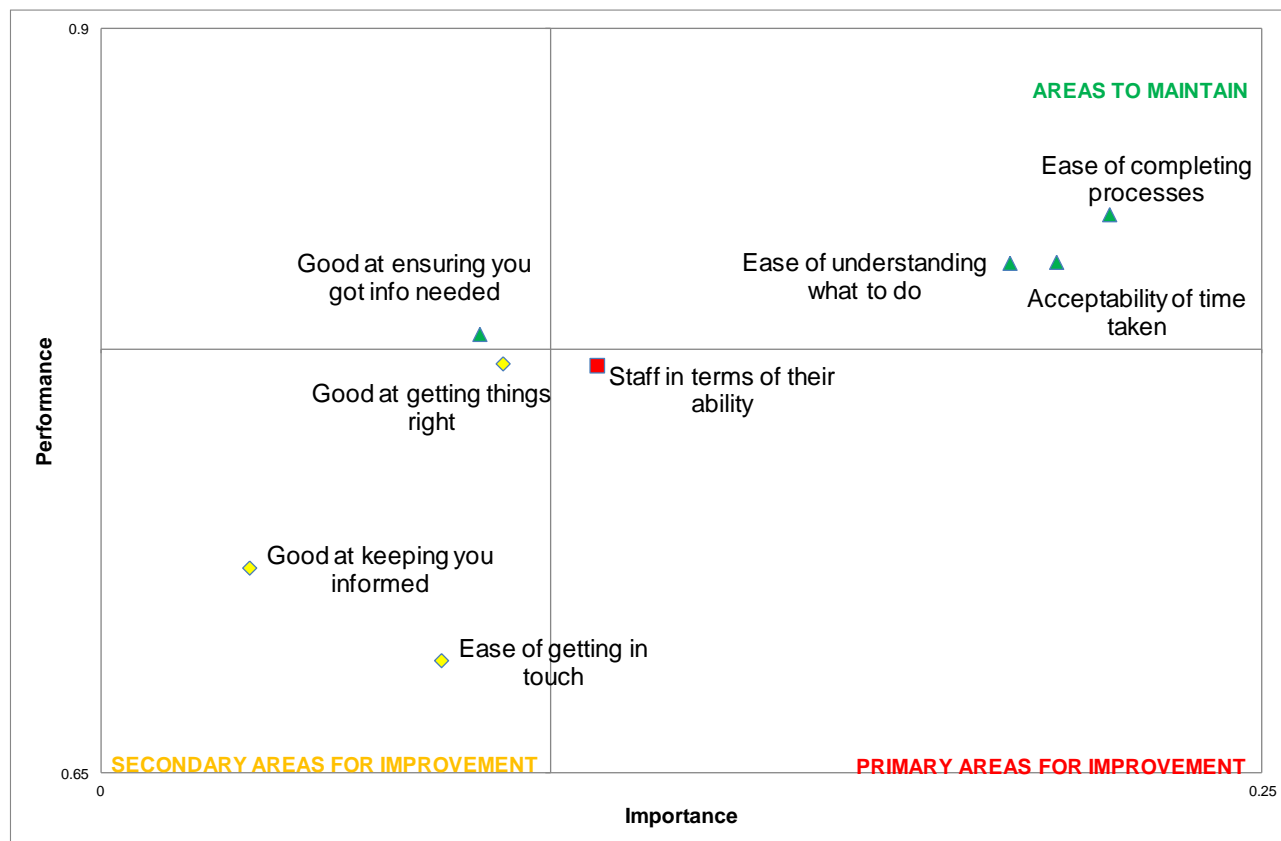
Whilst the overall ratings of customer experience give a general picture, it is essential to look in more detail at particular dimensions of the experience in order to ascertain what may be driving customer ratings and to identify key areas for action. The dimensions of customer experience were introduced in section 1.5.2.

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 3.10) 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.

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.

Chart 3.10 Key drivers of Straightforwardness¹²



Performance scores were high across areas with the largest influence on the overall rating of Straightforward: the ‘Acceptability of time taken’, ‘Ease of understanding’ and ‘Ease of completing the process’. These areas need to be maintained to keep the overall rating of Straightforward high. In addition, whilst less influential on the overall rating of Straightforward, the relatively strong performance of ‘Ensuring customers get the information they need’ also needs to be maintained.

The only area identified as a primary area for improvement was the ‘Ability of staff to deal with the issue’. However, it would not take a large improvement in performance for this to become an area to maintain. In addition, three areas were identified as secondary areas for improvement given their lower impact on the overall Straightforward score – perceptions of being ‘Good at getting things right’, and ‘Good at keeping the customer informed’, and the ‘Ease of getting in touch with HMRC’.

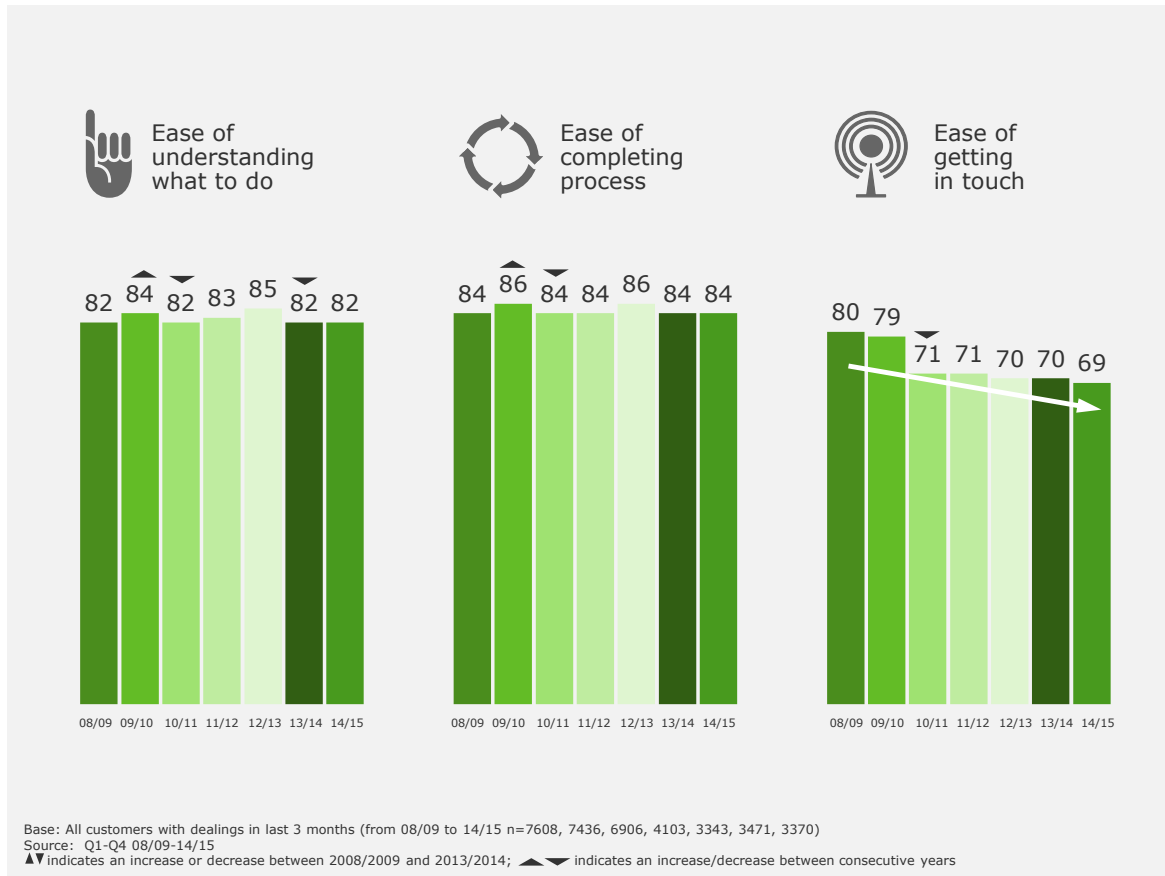
The remainder of this section focuses upon measures that have been identified as areas for improvement in the Key Driver Analysis or that have shown change over the spending review period from 2010/11, in order to help establish potential areas for improvement.

¹² R² is 0.63 meaning that 63% of the variance can be accounted for in the model.

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'.

Chart 3.11 Measures of Simplicity (%)



More than eight in ten SMEs felt that it was 'Easy to understand what they needed to do in relation to their dealings' (82%). A similar proportion felt that it was 'Easy to complete the process' (84%). Both measures remain important areas of performance to maintain.

Ratings for 'Ease of getting in touch' with HMRC have remained consistent from 2010/11 onwards (69% in 2014/15). This was identified as a secondary area to improve in the Key Driver Analysis, and was the measure with the lowest performance score overall.

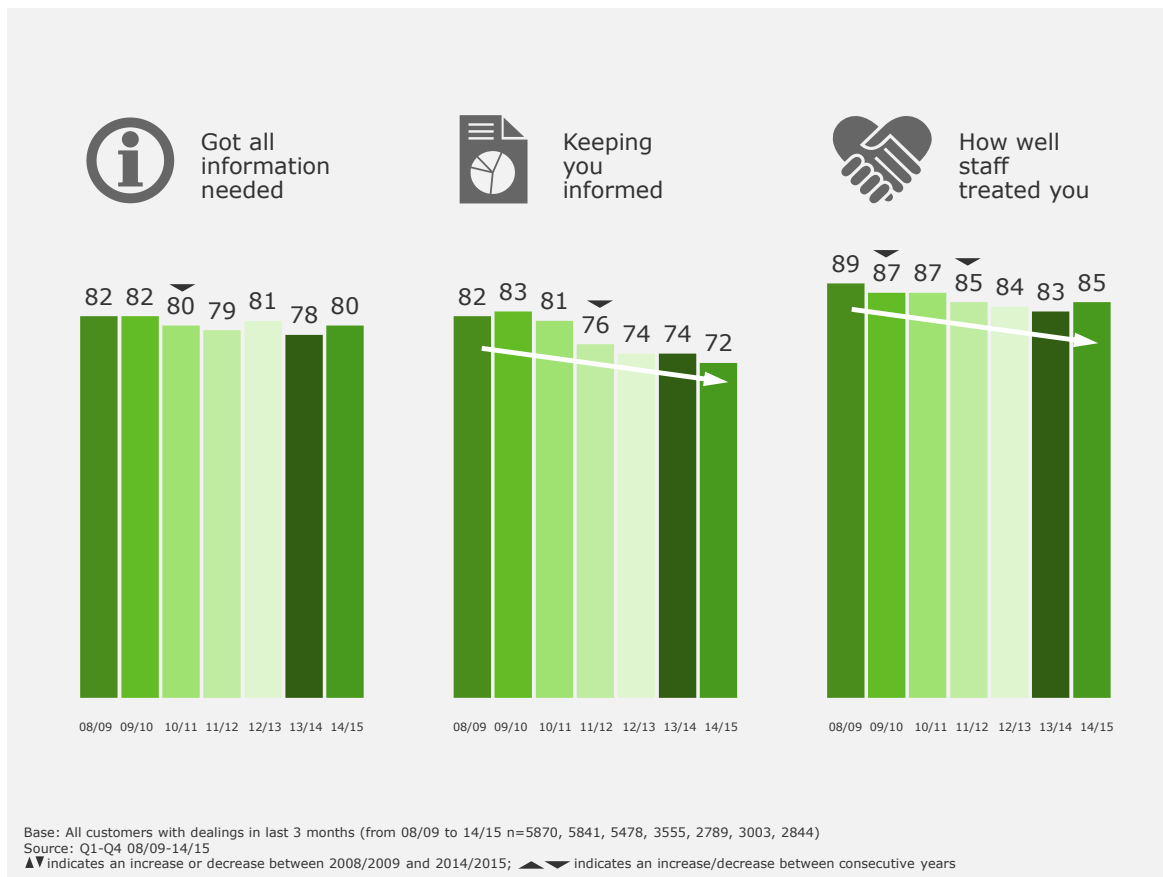
To understand the results further and identify the underlying causes of any change we can look at whether ratings differ for different sub-groups. This includes looking at results by product dealt with and exploring any demographic differences.

Ratings for 'Ease of getting in touch' were highest for SMEs who dealt with VAT (74%). Noticeably, those who used more than one channel to contact HMRC were less positive than average (62%).

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 3.12 Measures of Responsiveness



The performance score for ‘Getting all the information you need’ remained consistent with the 2010/11 baseline, with eight in ten (80%) rating this positively. SMEs who dealt with PAYE and NI dealings (75%) and general queries (66%) gave the lowest scores. Given the high rating this was identified as an area to maintain in the Key Driver Analysis.

Ratings for the other two measures of Responsiveness – ‘Keeping the customer informed’ and ‘How well staff treated the customer’ – have remained in line with scores in 2013/14. Ratings for ‘How well staff treated you’ (85%) remained in line with 2010/11, but the score for ‘Keeping you informed’ is lower (72% down from 76% in 2010/11). However, given the relatively low impact on the overall Straightforward score, ‘Keeping the customer informed about progress’ was only identified as a secondary area for improvement in the Key Driver Analysis.

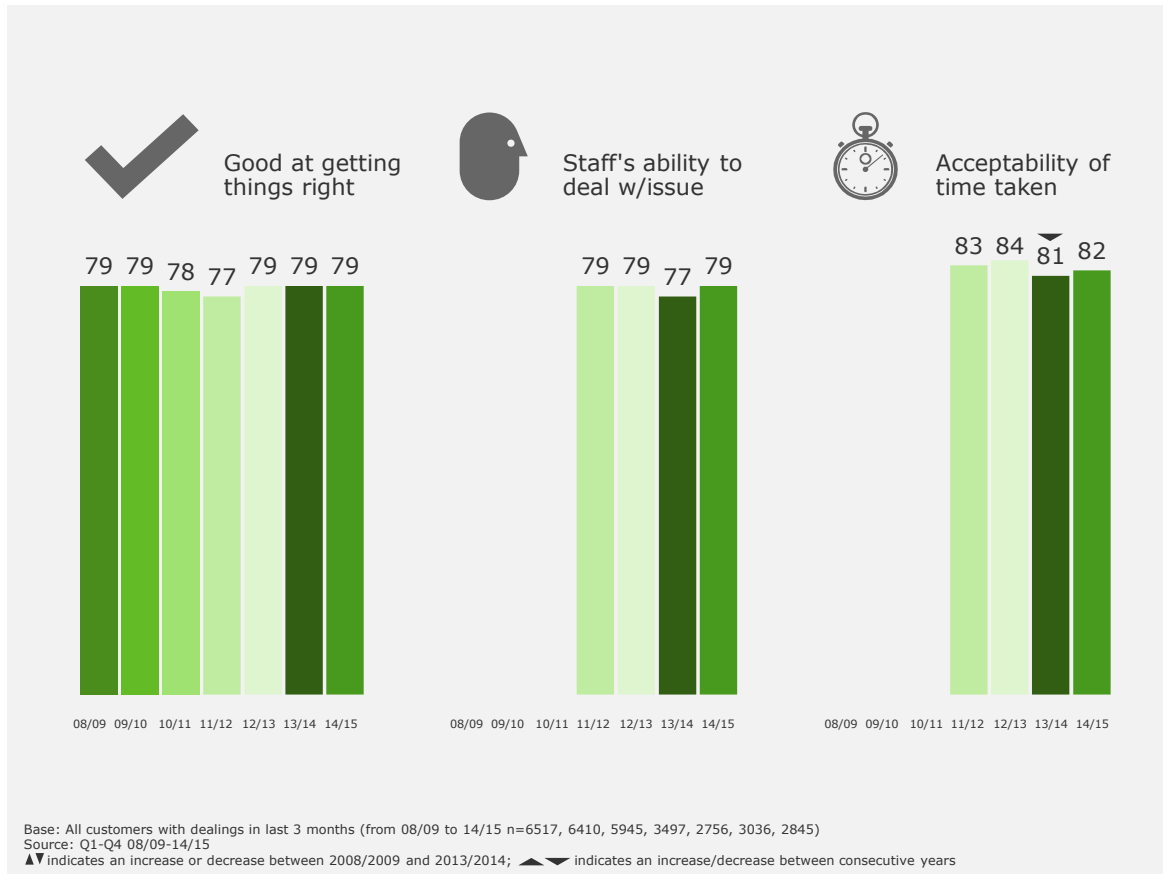
This longer-term decrease in scores for ‘Keeping the customer informed about progress’ has been particularly driven by dealings with PAYE/NI (down to 66% from 82% in 2010/11) and Self-Assessment for the self-employed or partnerships (76% down from 83% in 2010/11). Whilst dealings with VAT also declined over this period (78% down from 83%) it remained the highest performing product for this measure.

For the final measure, ‘How well HMRC staff treated the customer’, scores across products remained consistent with 2013/14 and 2010/11. As with the previous measures, ratings for VAT dealings (88%), as well as Self-Assessment for the self-employed or partnerships (88%) were rated most highly.

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 time taken to reach a final outcome'. In the Key Driver Analysis both the 'Acceptability of time taken' and 'Getting things right' were identified as areas of strong performance which should be maintained. '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 2011/12.

Chart 3.13 Measures of Reliability and Speed (%)



In 2014/15 ratings for all Reliability and Speed measures remained consistent both with 2013/14 and 2010/11. 'Acceptability of time taken' (82%) was identified as an area to maintain in the Key Driver Analysis. Positive scores for this measure were highest amongst SMEs dealing with VAT (90%), but lower amongst those who made contact with HMRC (71%). Eight in ten (80%) SME using only one channel rated this positively, in contrast to 63% using two or more channels.

'HMRC's staff's ability to deal with the issue' (79% positive in 2014/15) was the only area identified as a primary area for improvement in the Key Driver Analysis. VAT was the highest rated product for this measure (83%), whilst general queries were the lowest rated (70%).

The other Reliability and Speed measure, the 'Ability of HMRC to get things right' was identified as a secondary area to improve in the Key Driver Analysis, given its lower impact on overall Straightforward scores. Eight in ten (79%) SMEs rated this measure positively, in line with scores seen since 2010/11. Again there was a noticeable difference based on the number of channels of contact used to contact HMRC. Eight in ten (79%) SMEs using one channel rated this positively, in contrast to 68% amongst those using two or more.

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.

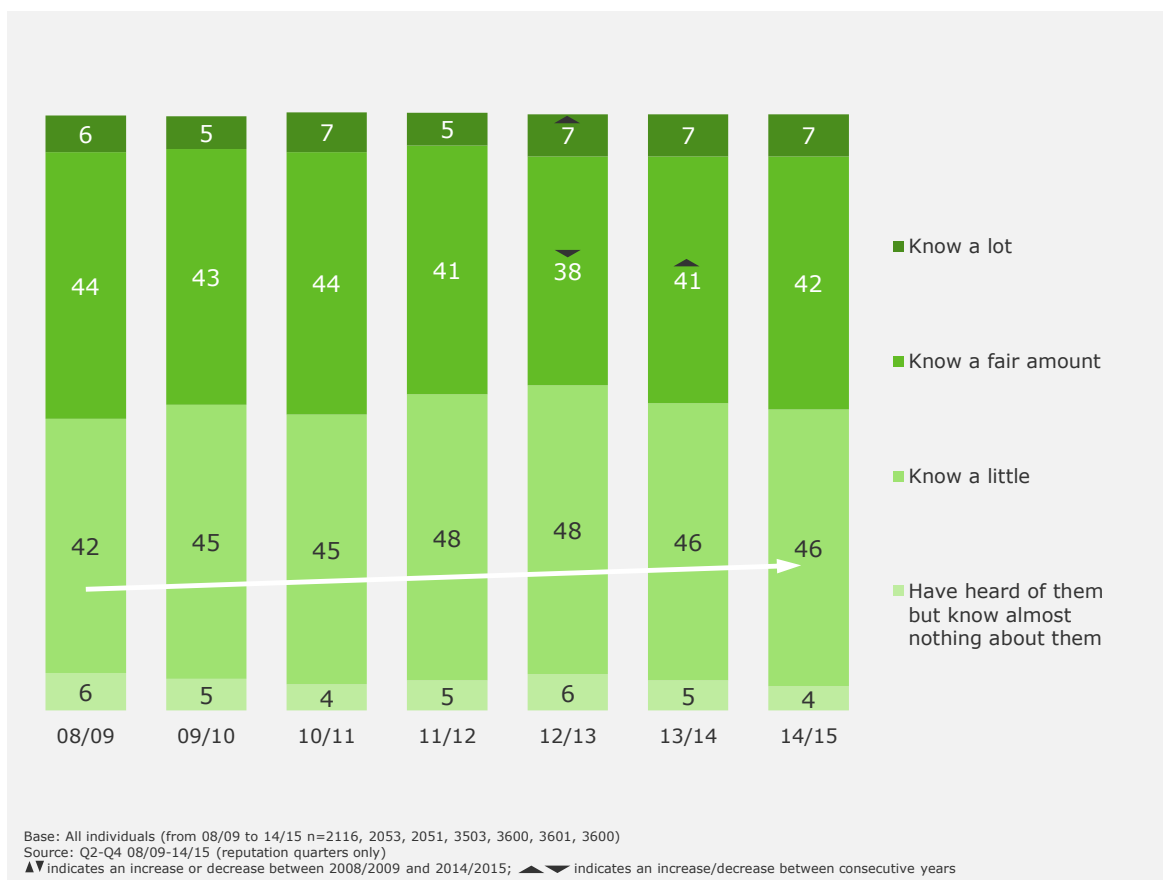
Measurement of Reputation was integrated within the Customer Survey from 2008, although the measures were substantially changed in 2010/11.

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.

SMEs reported a moderate level of Familiarity with HMRC. The vast majority knew at least a little (95%), around one in twenty (7%) said they knew a lot about HMRC.

Chart 3.14 Familiarity (%)



Levels of Familiarity with HMRC correspond with the level of recent dealings reported in Section 3.2.1, where 61% of SMEs had dealt with HMRC in the previous three months. Amongst those who

had dealt with HMRC in the previous three months, 58% said they knew a lot or a fair amount about them, compared to 36% who had not had a recent dealing. Overall, 49% of SMEs knew a lot or a fair amount about HMRC.

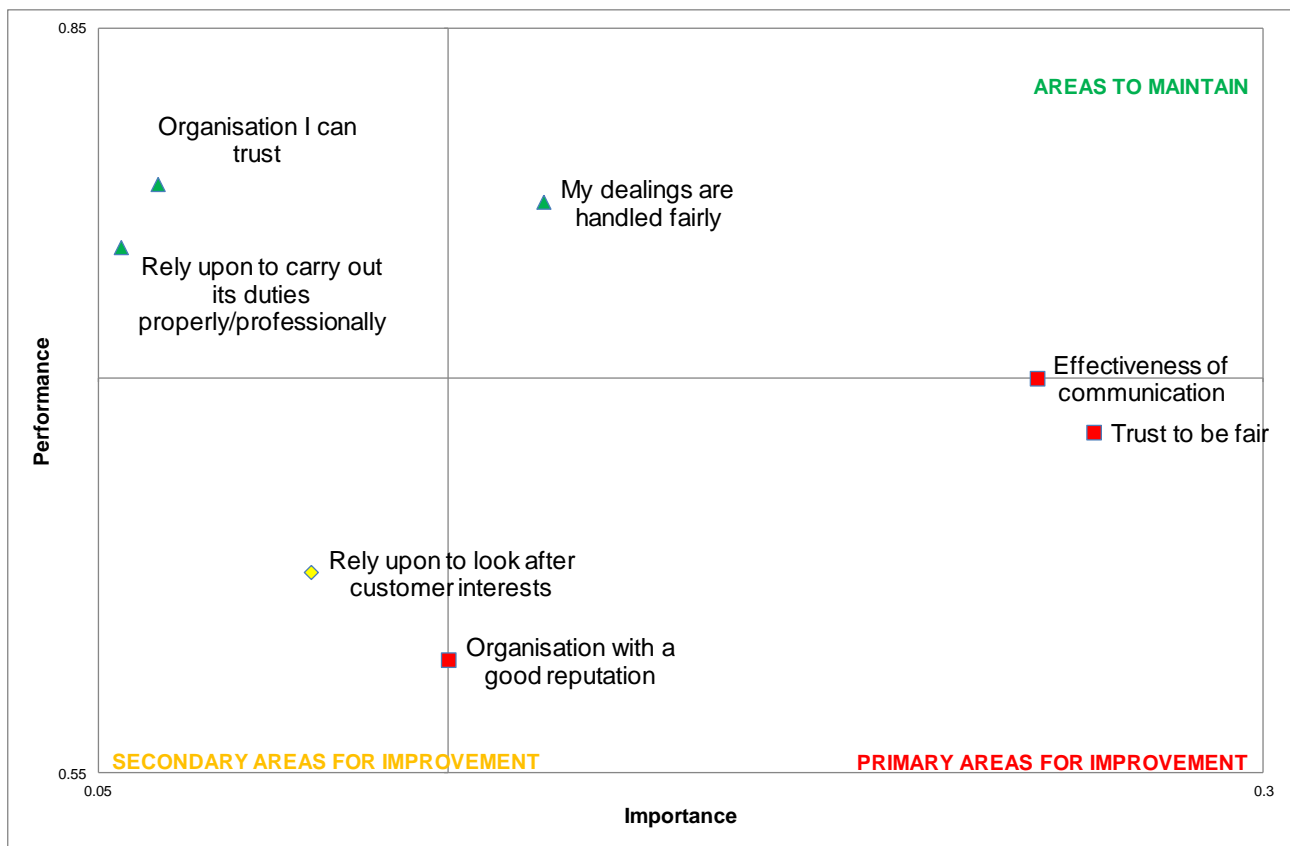
3.3.2. Measures of Reputation

The customer survey looks at several additional measures which may influence the overall Reputation of HMRC.

3.3.3. 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 3.15). A more detailed description of Key Driver Analysis is in Appendix A.

Chart 3.15 Key drivers of overall Favourability¹³



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.

‘Handling dealings fairly’, whether customers can ‘Rely upon HMRC to carry out its duties properly and professionally’ and ‘Being an organisation that can be trusted’ were identified as strongly performing areas and as such, should be maintained.

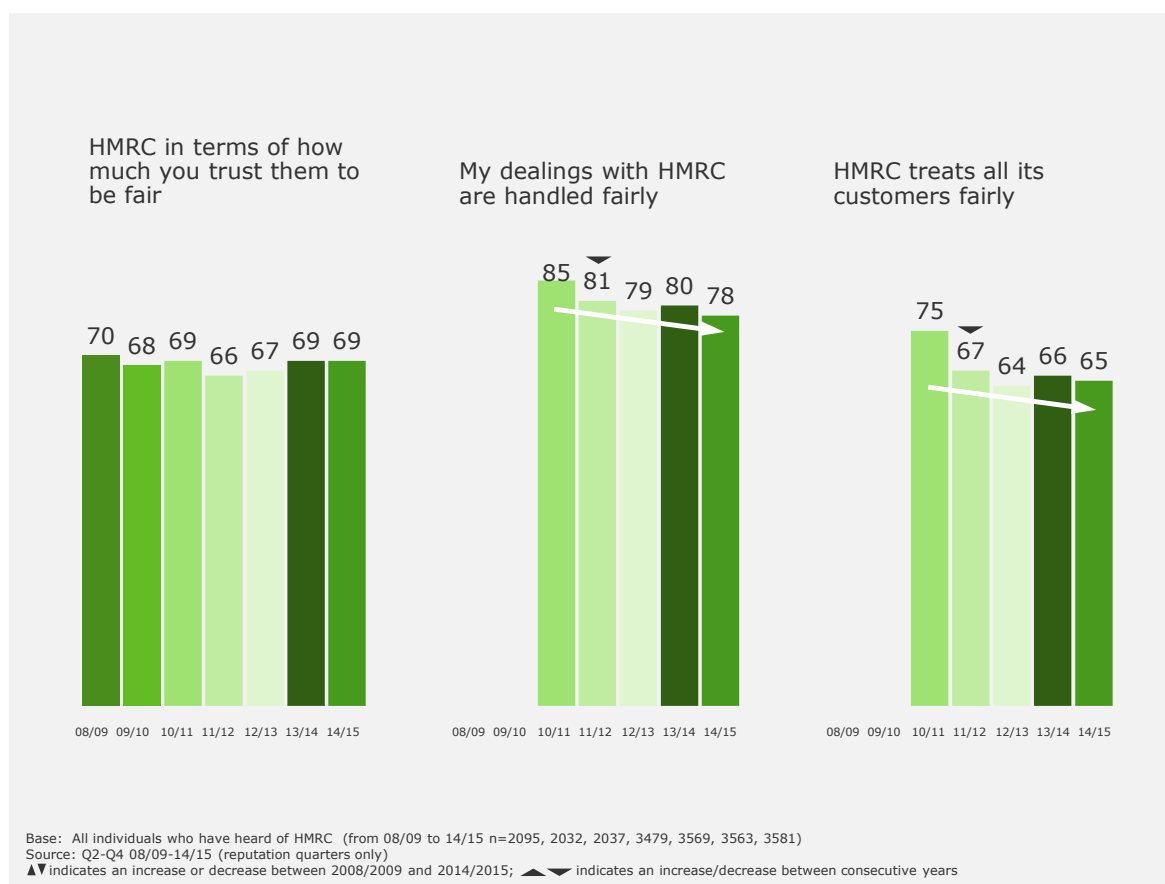
¹³ R² is 0.48 meaning that 48% of the variance can be accounted for in the model.

The key areas identified for improvement were the 'Effectiveness of communication' and SMEs 'Trusting HMRC to be fair'. These are both important areas, but where performance is currently relatively poor. 'HMRC having a good reputation' was the poorest scoring measure overall and was also identified as a primary area for improvement, although its influence on overall Favourability was less strong. Being 'Relied upon to look after customer interests' was identified as a secondary area for improvement.

3.3.4. Fairness

Fairness includes three measures: 'Trust in HMRC to be fair', and agreement that 'My dealings are handled fairly' and 'HMRC treats all its customers fairly'. Whilst 'Trust in HMRC to be fair' has remained broadly stable, the other two measures have both seen longer-term decreases since they were first introduced. Despite this stable performance, customers 'Trust in HMRC to be fair' was identified as a key area for improvement in the Key Driver Analysis, whilst perception that 'Dealings are handled fairly' was identified as an area to maintain.

Chart 3.16 Measures of Fairness (%)



Performance ratings of 'Trust in HMRC to be fair' have remained broadly stable, with seven in ten (69%) rating this positively in 2014/15. There was little variation in scores across sub-groups, although sole-traders were more positive than average (73%).

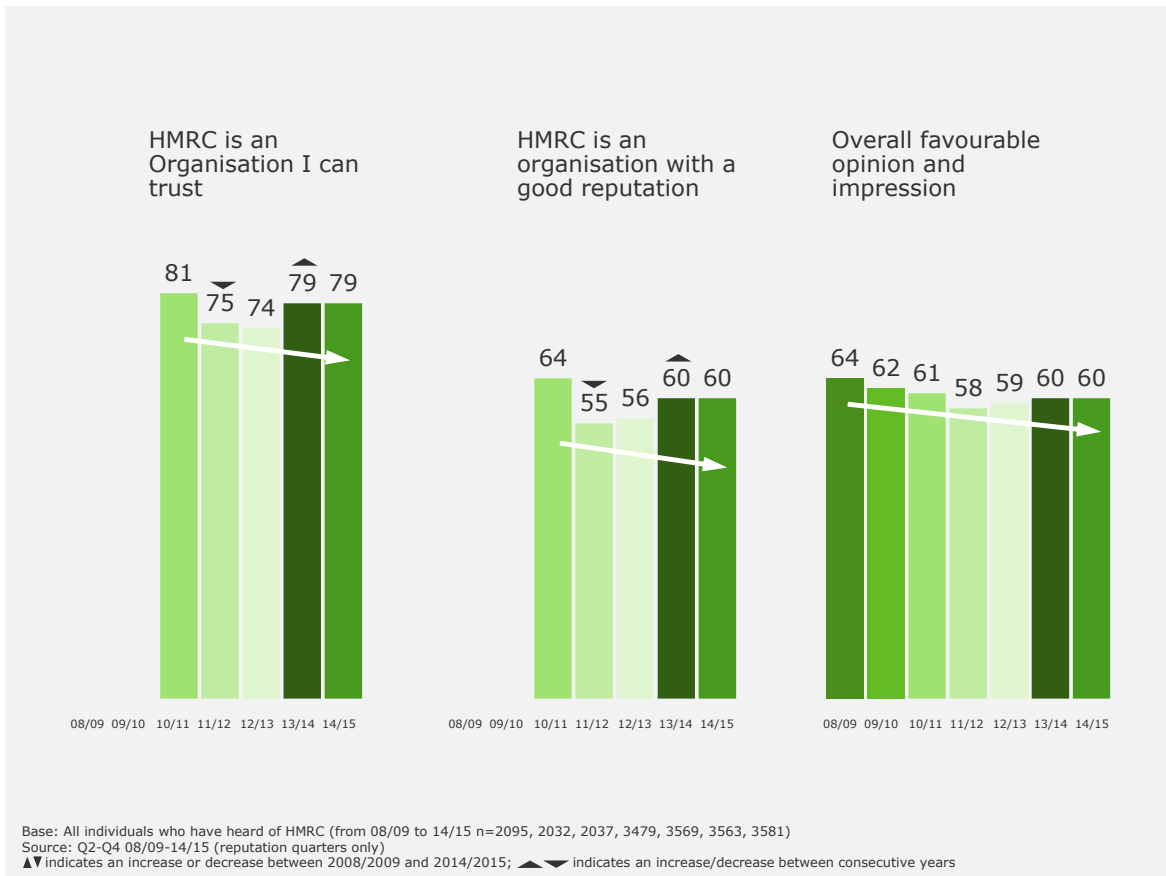
The perception that their 'Dealings are handled fairly by HMRC' was rated positively by eight in ten SMEs (78%). This represents a decrease since the question was introduced in 2010/11 (85%). Agreement that 'HMRC treats all its customers fairly' has also decreased since the measure was introduced (65% in 2014/15, from 75% in 2010/11).

3.3.5. 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’. Positive ratings for all three measures have decreased since they were first introduced.

Positive ratings for all three measures have decreased since they were first introduced. The Key Driver Analysis identified the perception that ‘HMRC is an organisation that I can trust’ as an area to maintain, whilst agreement that ‘HMRC is an organisation with a good reputation’ was identified as a primary area for improvement given it was the lowest performing measure overall.

Chart 3.17 Measures of Favourability (%)



Eight in ten SMEs rated the perception that ‘HMRC is an organisation that can be trusted’ positively (79%) in 2014/15 maintaining the increase seen between 2012/13 and 2013/14 (rising from 74% to 79%). However this remains below the 2010/11 baseline of 81%.

While the improvement in positive scores for ‘HMRC is an organisation with a good reputation’ seen in 2013/14 has been maintained in 2014/15, with six in ten (60%) agreeing with this statement, this still remains below the 2010/11 benchmark score of 64%.

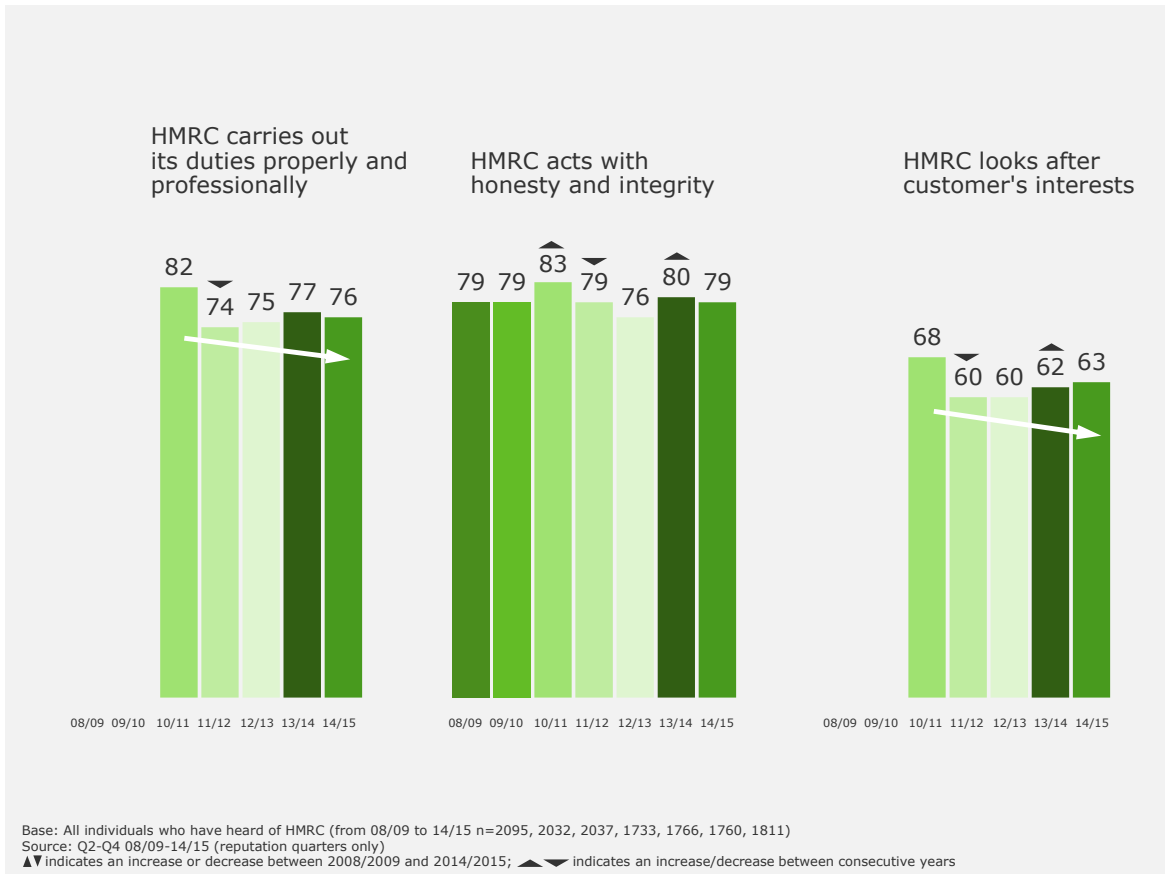
SMEs who were self-employed rated ‘HMRC’s overall favourability’ more positively (63%) than SMEs who are not self-employed (55%).

Since the change in sampling strategy in 2010/11 performance for ‘Overall Favourability’ has remained consistent at six in ten SMEs (60%).

3.3.6. Trust

There are three measures of Trust – whether ‘HMRC can be relied upon to carry out its duties properly and professionally’, whether ‘HMRC can be relied upon to act with honesty and integrity’, and whether ‘HMRC can be relied upon to look after customers’ interests’ (Chart 3.18). Whether ‘HMRC can be relied upon to carry out its duties properly and professionally’ was identified as an area to maintain in the Key Driver Analysis, whilst whether ‘HMRC can be relied upon to look after customers’ interests’ was identified as a secondary area for improvement.

Chart 3.18 Measures of Trust (%)



Ratings for how well ‘HMRC carries out its duties properly and professionally’, how well ‘HMRC can be relied upon to act with honesty and integrity’ and how much ‘HMRC can be relied upon to look after customers’ interests’ have fallen since 2010/11.

SMEs perceptions of how well ‘HMRC carries out its duties properly and professionally’ has decreased from 82% in 2010/11 to 76% in 2014/15. This decrease took place between 2010/11 and 2011/12, with performance level remaining stable in the years since.

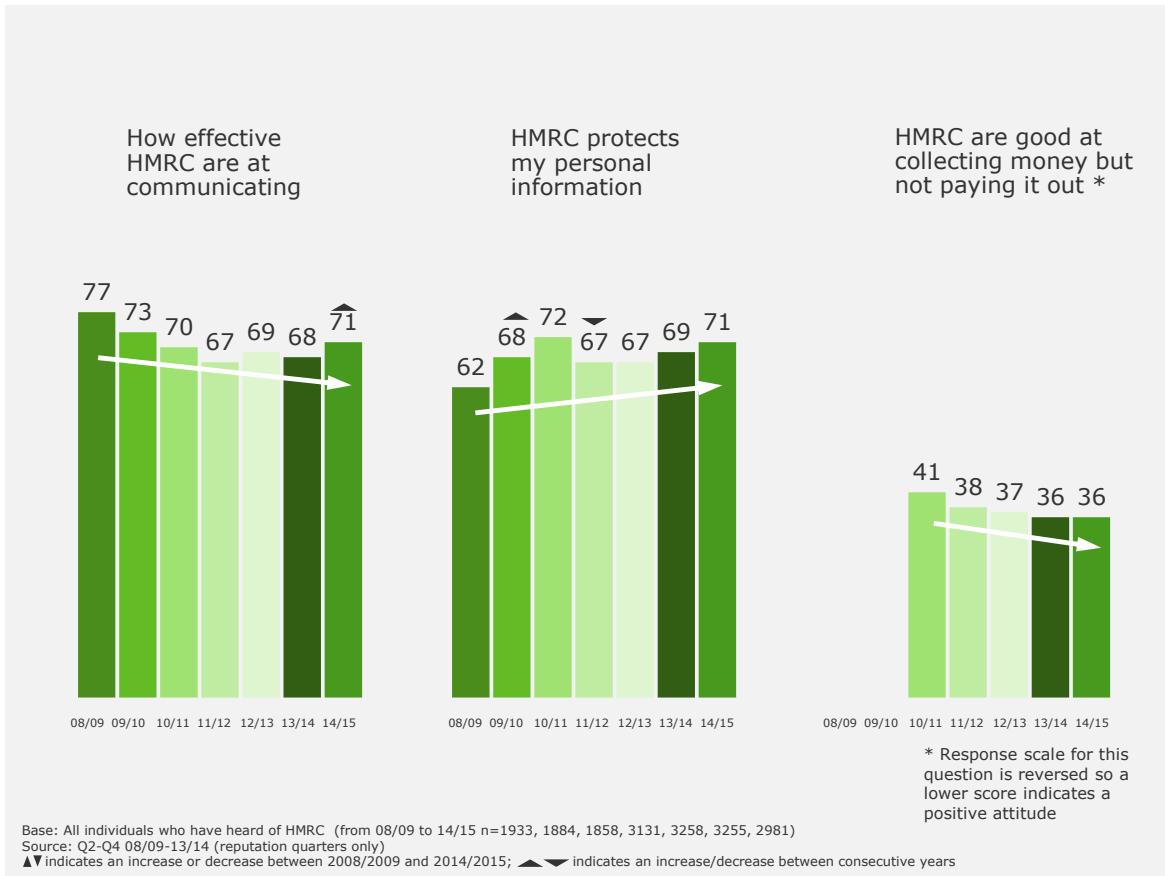
Ratings for both perceptions that ‘HMRC acts with honesty and integrity’ and ‘Looks after customer’s interests’ improved in 2013/14, with this being maintained in 2014/15. Eight in ten (79%) SMEs felt that ‘HMRC acts with honest and integrity’ whilst six in ten (63%) perceived that ‘HMRC looks after customer’s interests’.

Self-employed SMEs were more positive about how well ‘HMRC looks after customer’s interests’, with 66% rating this measure positively compared to 59% of those who were not self-employed.

3.3.7. Communications and Stories

The Communications theme is comprised of two measures – the ‘effectiveness of HMRC’s communication’ and agreement that ‘HMRC protects my business information’. Agreement that ‘HMRC are good at collecting money but not paying it out’ forms the Stories theme (Chart 3.19).

Chart 3.19 Measures of Communications and Stories (%)



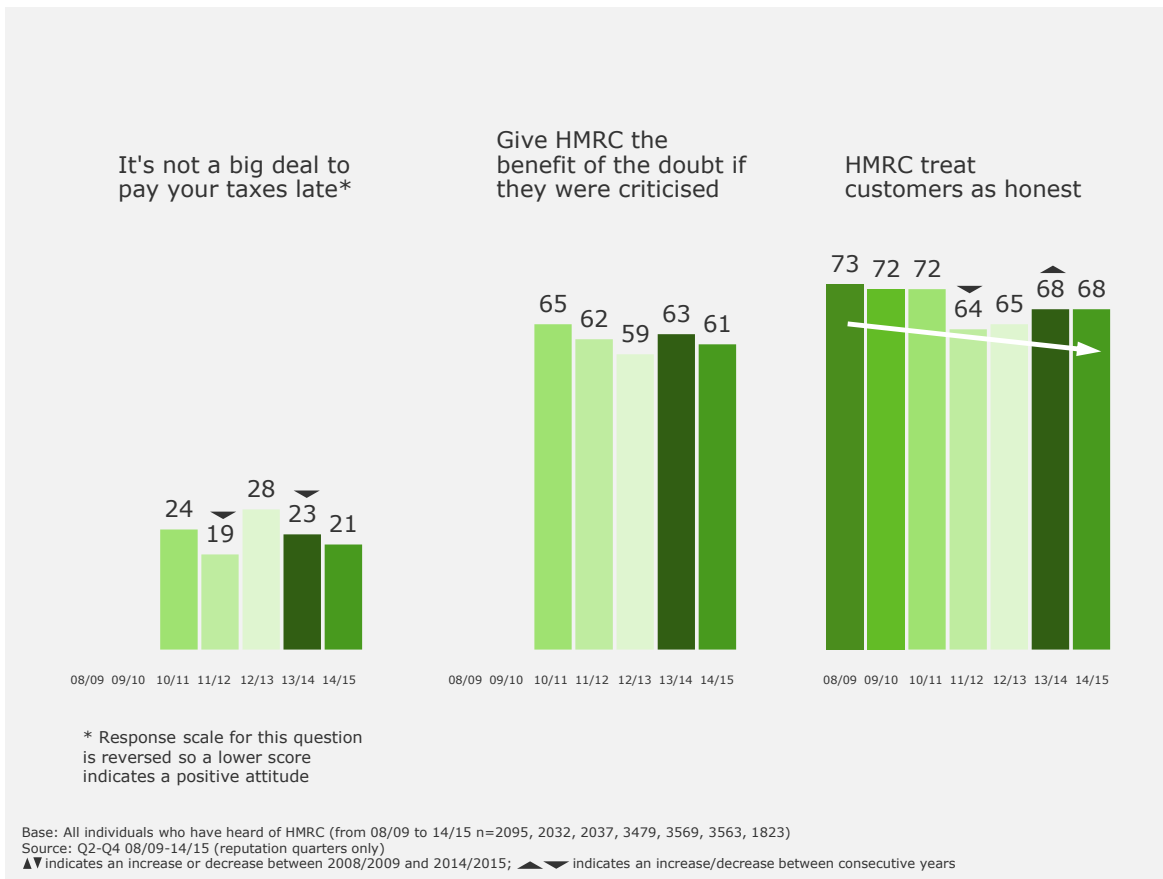
Ratings for the Effectiveness of HMRC’s communication’ increased from 68% in 2013/14 to 71% in 2014/15. The score in 2014/15 is in line with performance in 2010/11. It remains a key area identified for improvement in the Key Driver Analysis. The improved performance in 2014/15 was driven by an improvement in the positivity amongst those who are not self-employed, rising from 62% in 2013/14 to 66% in 2014/15. A similar proportion agreed that ‘HMRC protects their business information’ (71%).

Ratings for ‘HMRC are good at collecting money but not paying it out’ have steadily improved since this measure was first introduced (36% in 2014/15, from 41% in 2010/11). Importantly, the response scale for this question is reversed, so a lower score indicates a more positive attitude.

3.3.8. 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’.

Chart 3.20 Measures of Support, Compliance and other (%)



The 2014/15 ratings for the measure of Compliance ('It's not a big deal to pay your taxes late') have maintained the lower score reported in 2013/14 (23%) with 21% agreeing with this statement, in line with the lowest score reported in 2011/12 (19%).

Twenty nine per cent of SMEs with more than 100 employees agreed that 'It's not a big deal to pay taxes late', compared to 19% of sole traders.

Following a steady decrease since the measure of Support was introduced ('Give HMRC the benefit of the doubt if criticised'), ratings for this measure maintained the increased level seen in 2013/14, with 61% willing to do so. This remains in line with the 2010/11 baseline (65%).

Almost half (46%) of those with more than 100 employees would 'Give HMRC the benefit of the doubt if they were criticised', compared to 63% of sole traders.

Similarly, ratings for whether 'HMRC treat their customers as honest' maintained the improved performance seen in 2013/14 (68%). However, this remains below the score seen in 2010/11 (72%). SMEs with more than 100 employees rated this measure less positively (59%).

4.

Individuals



4.1. Executive summary

Survey results that relate to Personal 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 again presented in one section (4.5).

4.1.1. Dealings with HMRC

- Eight in ten (79%) Individuals dealt with HMRC in the last year, in line with previous years.
- Three in ten (31%) Individuals dealt with HMRC in the previous three months, which was also in line with previous years.
- There was a decrease in Individuals who had recent dealings with Personal Taxes (17% in 2014/15, down from 20% in 2013/14) and an increase in Individuals with recent dealings with Benefits and Credits (16% in 2014/15, up from 12% in 2013/14).

4.1.2. Personal Tax customers

Nature of Dealings

- Three-quarters of Personal Tax customers (74%) reported that HMRC had made contact with them, in line with 2013/14 (75%).
- In 2014/15 there were increases in the number of customers visiting the website as part of their dealing (37% up from 32% in 2013/14) and making a payment (18% up from 15%).
- Telephone continues to be the most frequently used channel for contacting HMRC (82%) However there was a large increase in the number of Personal Tax customers contacting HMRC via the Internet (63% up from 50% in 2013/14)
- For customers using more than one channel of contact, the internet was most likely to be the first channel of contact (63%, increasing from 53% in 2011/12). Telephone was the second most likely initial method of contact (27%) but this figure has declined since 2011/12 (34%).

Dimensions of Customer Experience

- Overall three-quarters (73%) of customers expected that dealing with HMRC would be Straightforward. In general those expectations were met.
- Eight in ten Personal Tax customers (78%) said their experience was very or fairly Straightforward, with just one in ten Personal Tax customers giving a negative rating.
- Personal Tax customers were generally positive across all dimensions of experience. Scores ranged from 59% for the 'Ease of getting touch' to 79% for 'How well staff treated them'.
- Ratings for three customer experience dimensions did, however, fall between 2013/14 and 2014/15: 'Ease of getting in touch' (59% down from 63%), 'Getting all the information needed' (71% down from 74%) and perceptions 'How well staff treated you' (79% down from 82%).

Key Driver Analysis

The aim of the Key Driver Analysis was to understand the underlying factors driving Individuals ratings of how Straightforward it is to deal with HMRC¹⁴. It identifies the relative influence of each dimension of experience on the overall Straightforward measure, and provides insight into the areas that need to be prioritised for improvement to keep overall ratings of Straightforward high.

¹⁴ "Straightforward" in this context refers to the single overall measure: how straightforward was your recent experience of dealing with Revenue and Customs?

- Two primary areas for improvement were identified for Personal Tax customers by the Key Driver Analysis: 'How good HMRC were at getting things right' and 'Ease of completing the processes'.
- Areas identified as a secondary focus for improvement were 'Getting all of the information needed' and 'Ease of getting in touch'.

4.1.3. Benefits and Credits customers

Nature of Dealings

- Similarly to Personal Tax customers, three-quarters (74%) of Benefits and Credits customers reported that HMRC had made contact with them.
- Six in ten customers (61%) reported making contact with HMRC as part of their dealing, a decrease from 2013/14 (64%).
- In contrast there was an increase in the number of customers visiting the website in 2014/15 (31% up from 26% in 2013/14).
- When making contact, the majority of Benefits and Credits customers used the telephone (93%), but an increased number of customers made contact via the internet (38%, up from 32% in 2013/14).
- Benefits and Credits customers using multiple channels to contact HMRC were most likely to use the internet first (58%, up from 51% in 2013/14 and 44% in 2011/12). Nine in ten (92%) of those who used the internet first also went on to contact HMRC via the telephone.

Dimensions of Customer Experience

- Expectations that dealing with HMRC would be Straightforward were high (79%), and in general those expectations were met.
- Over eight in ten Benefits and Credits customers (83%) rated their experience as fairly or very Straightforward, with one in ten giving a negative rating (12%).
- The majority of Benefits and Credits customers gave positive ratings across most dimensions of experience. Scores ranged from 58% for 'Ease of getting in touch' to 83% for 'How well staff treated you'.
- Despite a generally positive performance, scores on several measures did, however, fall between 2013/14 and 2014/15: 'Ease of getting in touch' (58% down from 67%), 'Ease of understanding what to do' (79% down from 82%), 'Perceptions that HMRC are good at getting things right' (77% down from 80%) and the 'Acceptability of time taken' (75% down from 80%).
- Scores for 'Keeping you informed' also decreased over the longer term, from 80% in 2010/11 to 69% in 2014/15.

Key Driver Analysis

- The Key Driver Analysis for Benefits and Credits customers, identified two primary focuses for improvement: 'Acceptability of time taken' and 'How good HMRC are at getting things right'.
- Two additional areas were identified as secondary focuses for improvement: 'Keeping the customer informed about progress' and 'Ease of getting in touch'.

4.1.4. Reputation

- Individuals reported a moderate level of Familiarity with HMRC. Eight in ten knew at least a little (78% up from 74% in 2013/14), only four per cent of Individuals said they knew a lot about HMRC.
- Ratings across a number of Reputation measures covering Fairness, Favourability and Trust decreased between 2010/11 and 2014/15.

- There were also decreases across several other Reputation measures, although increases between 2010/11 and 2014/15 have been seen for how much ‘HMRC is trusted to be fair’.
- Key Driver Analysis was carried out to understand the underlying factors behind Individuals ratings of Favourability towards HMRC, and to find out what might help reverse this decrease.
- Two areas were identified as primary focuses for improvement: ‘Trust HMRC to be fair’, and perceptions that ‘HMRC is an organisation with a good reputation’.
- The only area identified as a secondary area for improvement was ‘Effectiveness of communication’.

4.2. Dealing with HMRC

4.2.1. The nature of dealings

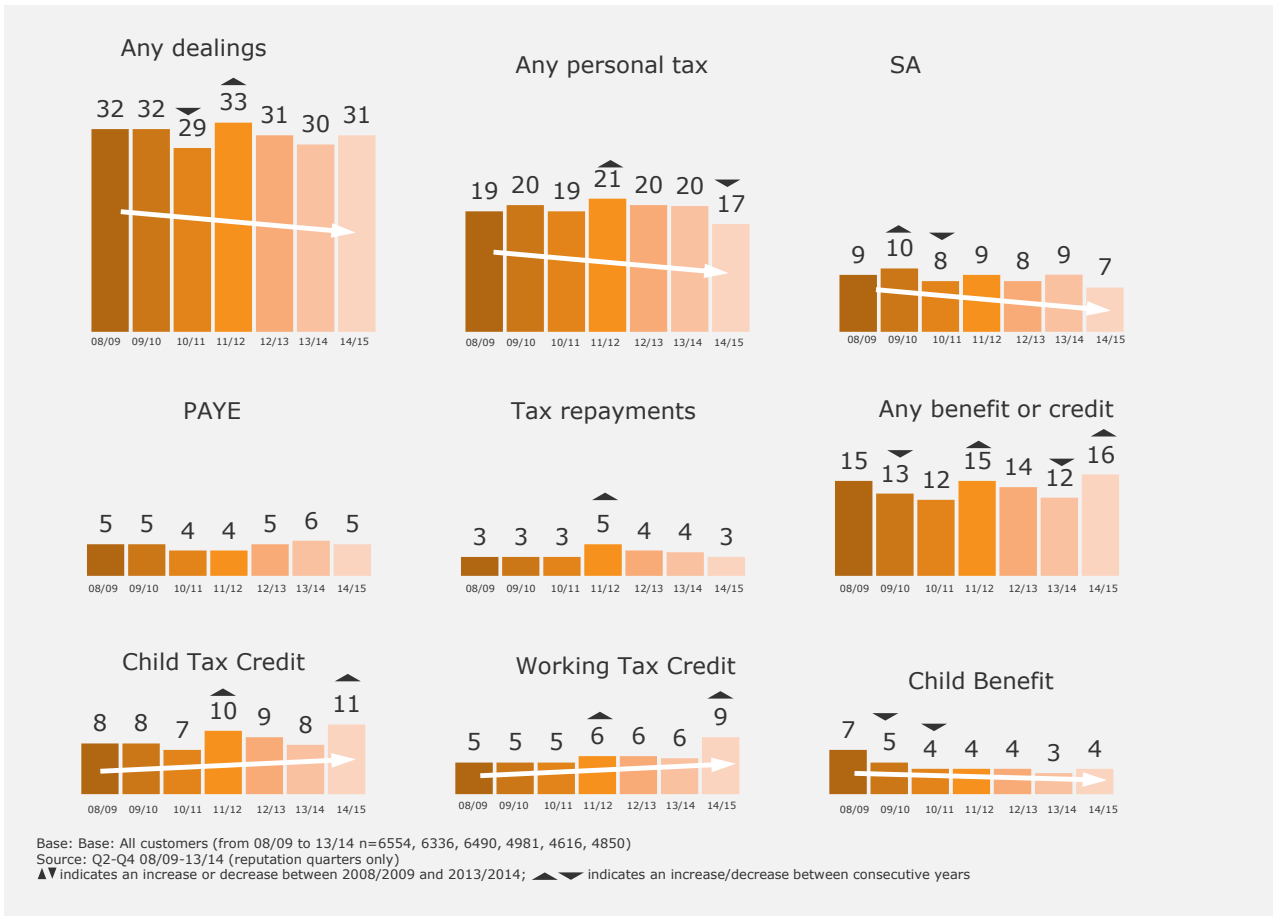
To put ratings of customer experience into context, it is necessary to understand the nature of these dealings in terms of the specific Personal Taxes and Benefits and Credits customers have dealt with, the types of dealings they have had and the channels of contact they have used. Survey results that relate to taxes, benefits and credits dealt with are based on all Individuals (Personal Tax customers and Benefits and Credits customers) 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 2014/15 financial year. This was similar to previous years.

As Chart 4.1 shows, three in ten Individuals (31%) dealt with HMRC in the previous three months. Dealings with Personal Taxes decreased from 20% in 2013/14 to 17% in 2014/15. Dealings with Benefits and Credits increased to 12% in 2013/14 to 16% in 2014/15. This change was driven by an increase in dealings with Child Tax Credits, from 8% in 2013/14 to 11% in 2014/15 and Working Tax Credits from 6% in 2013/14 to 9% in 2014/15.

Chart 4.1 Products dealt with in the last three months (%)



4.3. Customer experience: Personal Tax customers

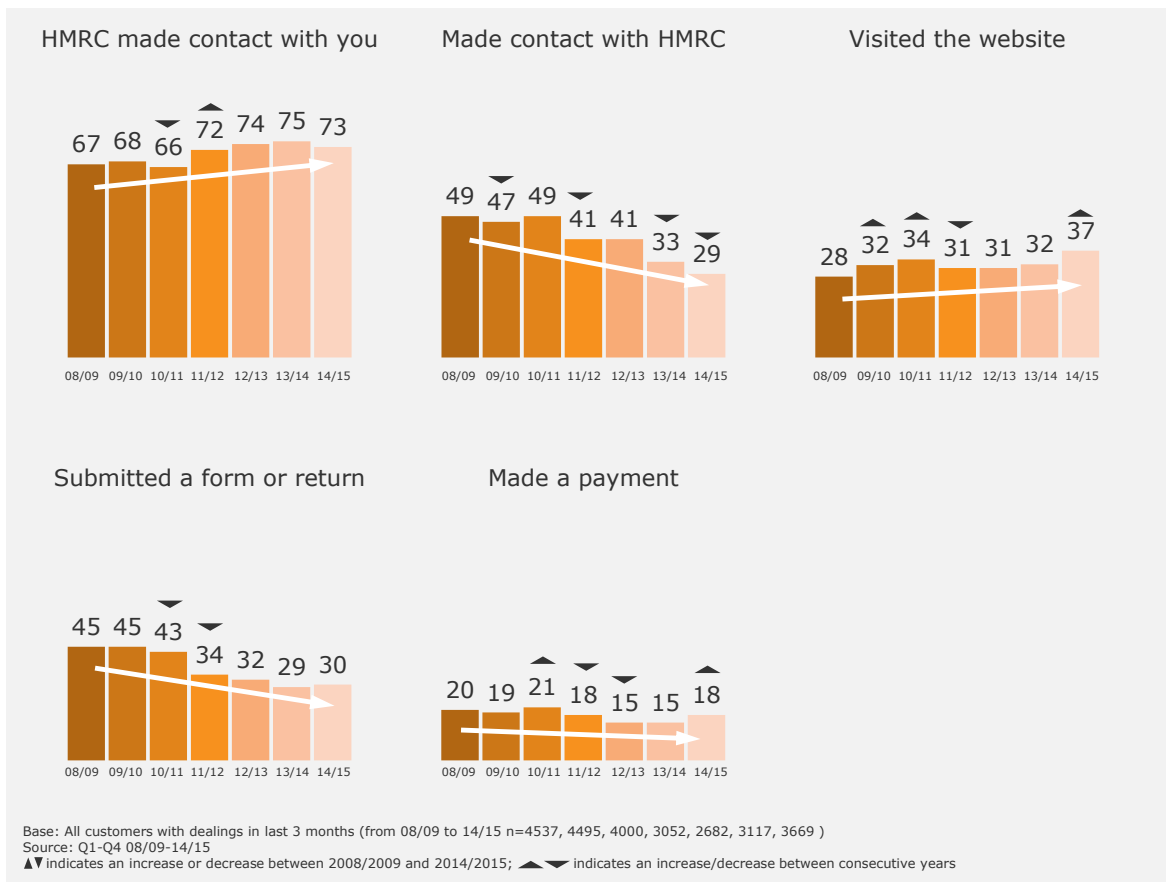
Section 4.3 describes the customer experience for those who have dealt with a Personal Tax. For respondents dealing with more than one type of tax, credit or benefit, one was selected at random as the subject of the customer experience questions.

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 (73%) reported that HMRC made contact with them, a higher proportion than 2010/11 (66%). Three in ten (29%) reported making contact with HMRC, the second successive year on year decrease. This is in line with the longer term downward trend from half (49%) of Personal Tax customers making contact with HMRC in 2010/11.

Submission of a form or return decreased between 2010/11 and 2014/15 (from 43% to 30%), but has remained consistent over the shorter term following a large decrease between 2010/11 and 2011/12. There was an increase in Personal Tax customers with dealings in the last three months who visited the website in 2014/15, rising to 37% from 32% in 2013/14. There was also an increase in Personal Tax customers with dealings in the last three months who reported making a payment (18%, up from 15% in 2013/14).

Chart 4.2 Types of dealings in the last three months: Personal Taxes (%)



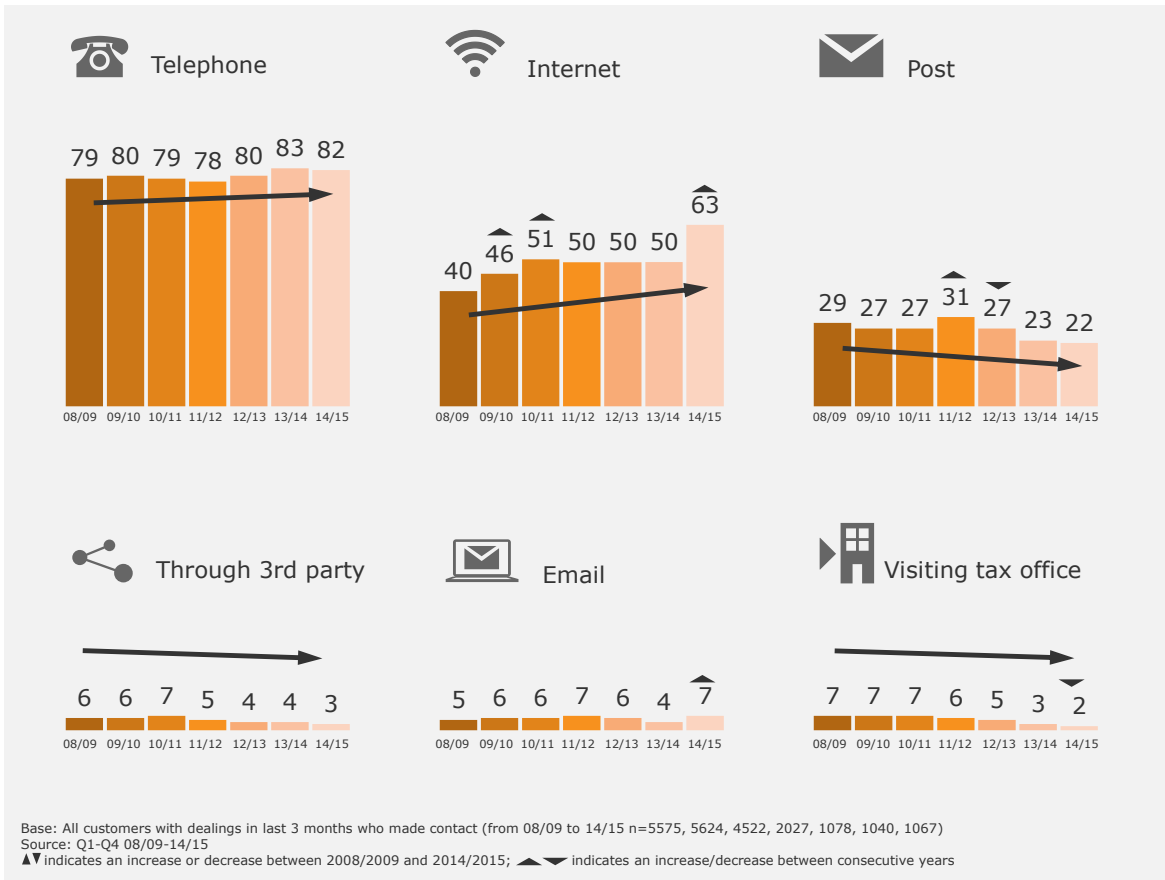
4.3.2. Channels of contact for Personal Tax customers

Channels of contact can also influence the customer experience. Only those Personal Tax customers who reported making contact with HMRC were asked which channel they had used. Three in ten (29%) of those with dealings in the previous three months reported contacting HMRC in relation to that dealing.

When making contact, Personal Tax customers continued to be most likely to have used the telephone (82%), although contact via the website increased substantially in 2014/15, up to 63% from 50% on 2013/14. This mirrors the increase noted earlier in the number of Personal Tax customers visiting the website as part of their dealing.

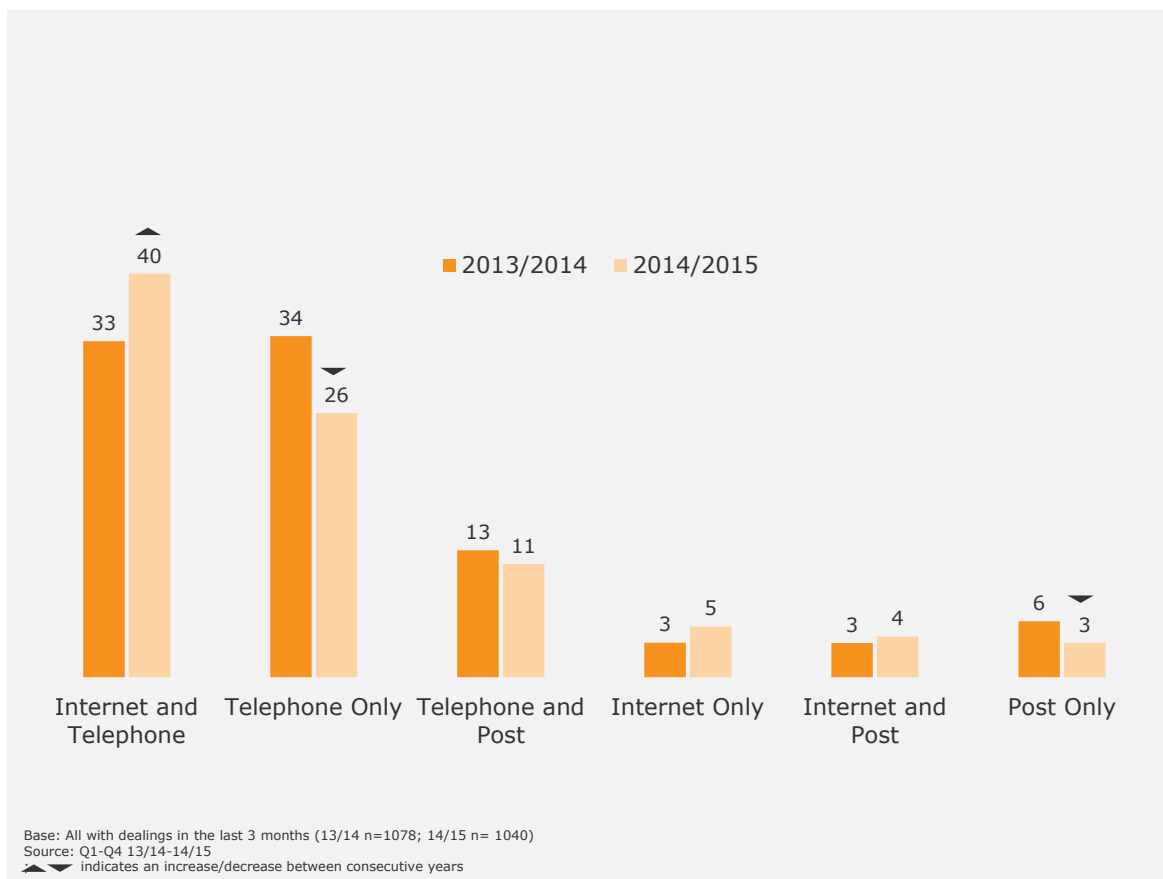
Around one in five Personal Tax customers (22%) wrote a letter as part of their dealing, falling from 27% in 2010/11. Other channels of contact continued to be used at relatively low levels, with declines between 2010/11 and 2013/14 for both visiting a tax office and contact through a third party. In contrast, levels of contact via email increased from 4% in 2013/14 to 7% in 2014/15.

Chart 4.3 Channels of contact in last three months: Personal Tax customers (%)



Prior to 2014/15, Personal Tax customers were as likely to only use the telephone to contact HMRC as use both the internet and telephone (34% and 33% in 2013/14 respectively). However, in 2014/15, the proportion of personal tax customers who used both internet and telephone increased to 40% while the proportion that only used the telephone decreased to 26%. Five per cent of Personal Tax customers who contacted HMRC only used the internet.

Chart 4.4 Channels of contact in last three months: Personal Tax customers (%)



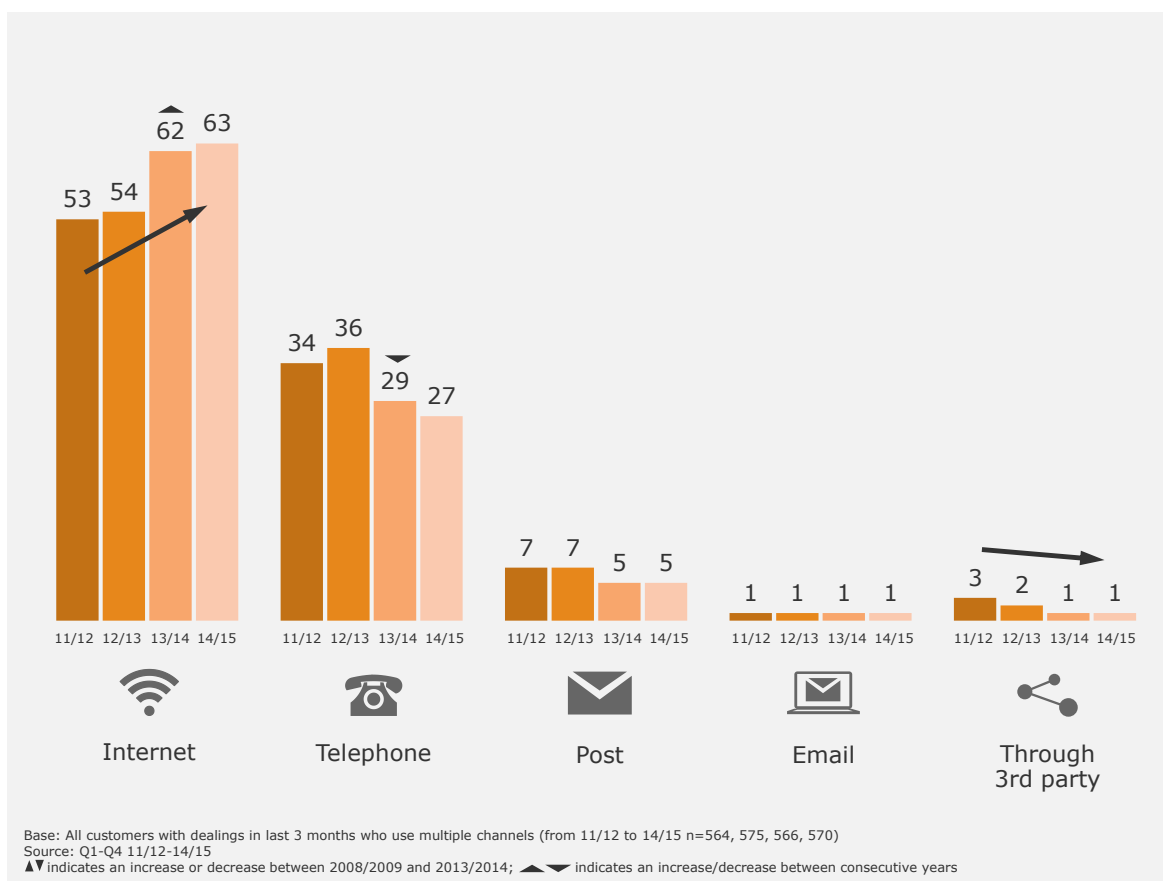
Among those who made contact, almost two-thirds (64%) of Personal Tax customers used more than one method, increasing from 55% in 2013/14. Where customers used only one method, this was most likely to be the telephone (73%). The telephone has consistently been the channel most used in isolation. Fourteen per cent of Personal Tax customers using only one method of contact used the internet, up from 8% in 2013/14, and reflecting the more general increase in internet usage. One in ten customers (9%) who only used one channel made their only contact by post.

To put dealings into further context in 2011/12 a series of new questions were added. Among customers using more than one method, the first channel was most likely to be the internet (63%), as seen in 2013/14 (62%). This was followed by the telephone (27%).

These findings suggest that an increasing number of Personal tax customers now tend to use the internet instead of the telephone to contact HMRC. This is in line with HMRC’s Digital by default strategy¹⁵ to encourage internet usage.

¹⁵ HMRC Digital Strategy: 2014 <https://www.gov.uk/government/publications/hmrc-digital-strategy-2014/hmrc-digital-strategy-2014>

Chart 4.5 First channel of contact: Personal Tax customers (%)



The most frequent reason for using an alternative channel was customers not finding or receiving the information required at the first attempt (32%). One in six reported that they changed to an easier or preferred method of contact (17%) or that they only used the website for information before using a different main method (16%). More than one in ten were seeking confirmation or reassurance (11%) or were directed to use a different method by HMRC or the website (12%).

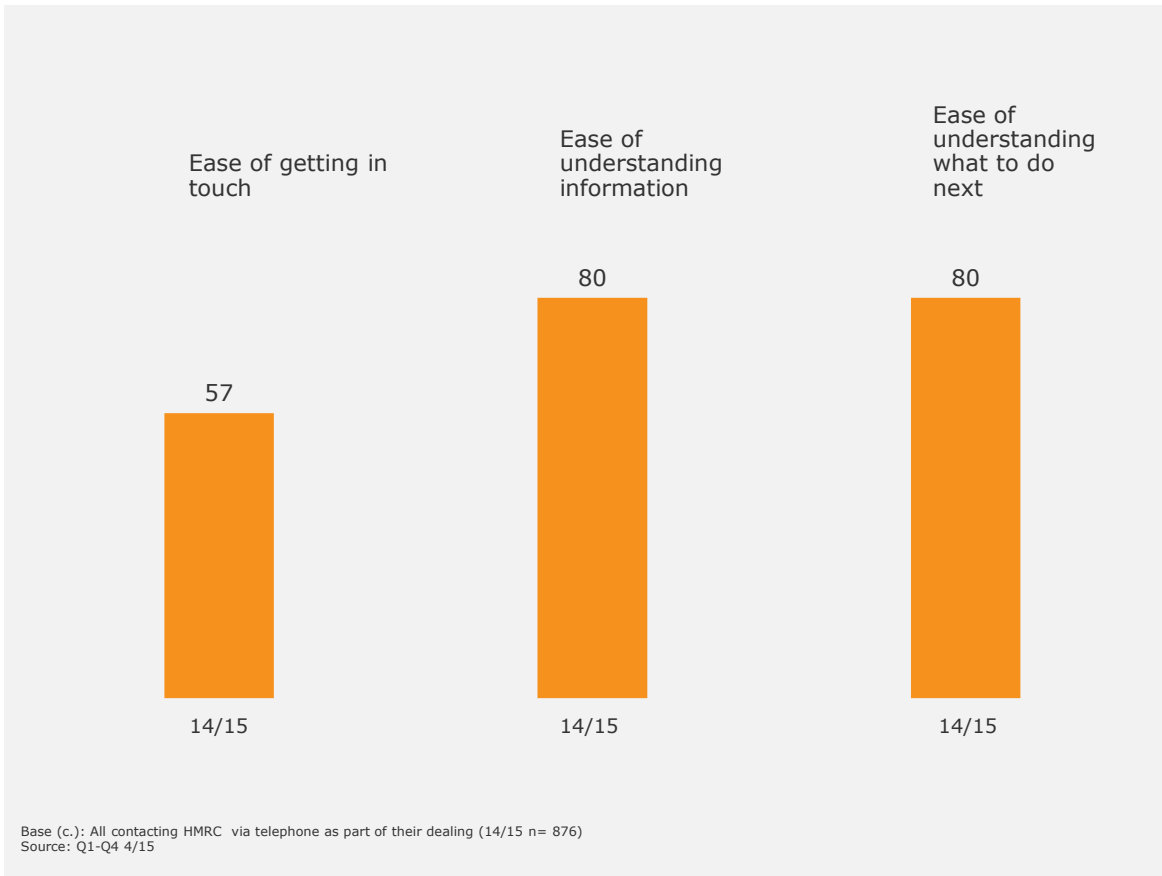
Two-thirds of Personal Tax customers that used at least two channels (63%) said that the number of times they were in contact with HMRC was acceptable, a decline from 2013/14 (68%).

4.3.3. HMRC Contact Centres: Personal Tax customers.

A new series of questions were added to the survey in 2014/15 to understand how the Contact Centre helpline is rated by those Personal Tax customers contacting HMRC via telephone. Customers were first asked whether they called the helpline or a named individual before being asked a series of questions on their experience.

Nine in ten (90%) Personal Tax customers who contacted HMRC via telephone as part of their dealing contacted the HMRC Contact Centre helpline. A small proportion (5%) contacted a named individual or another non-helpline number.

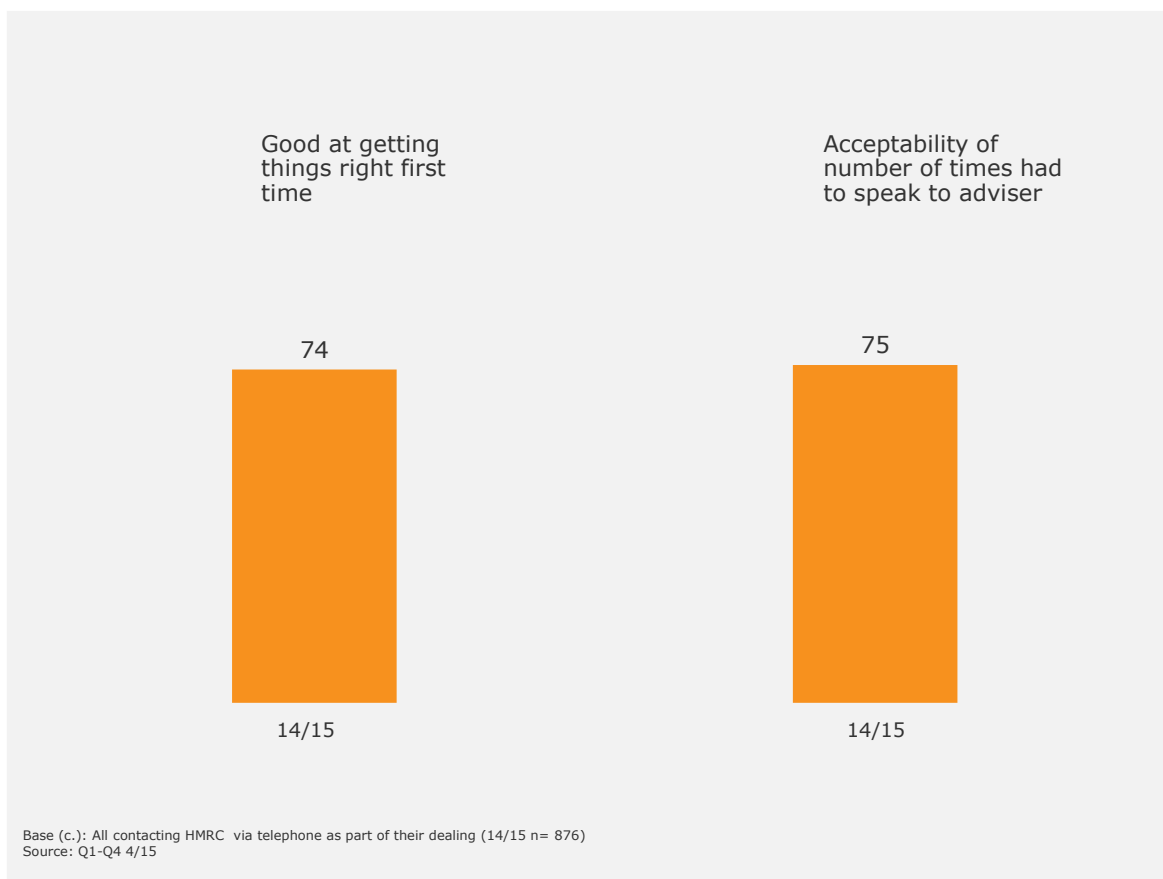
Chart 4.6 Ease of Dealing with HMRC Contact Centre: Personal Tax customers



About six in ten Personal Tax customers (57%) said that they found it ‘Easy to get in touch’ with the HMRC Contact Centre helpline or a named adviser. Customers were much more positive about the ‘Ease of understanding the information provided’ and ‘Ease of understanding what they had to do next to resolve their query’ with eight in ten (80%) rating these measures positively¹⁶.

¹⁶ Comparisons between customers who contacted the Contact Centre have not been compared with those contacted a named adviser due to the low base size of this group.

Chart 4.7 HMRC Contact Centres: Other Measures: Personal Tax customers



As Chart 4.7 shows, three-quarters of Personal Tax customers rated the Contact Centre helpline or their named adviser ‘Good at getting things right first time’ (74%) and found ‘The number of times they had to speak to an adviser acceptable’ (75%).

4.3.4. Overall ratings of Personal Tax customers

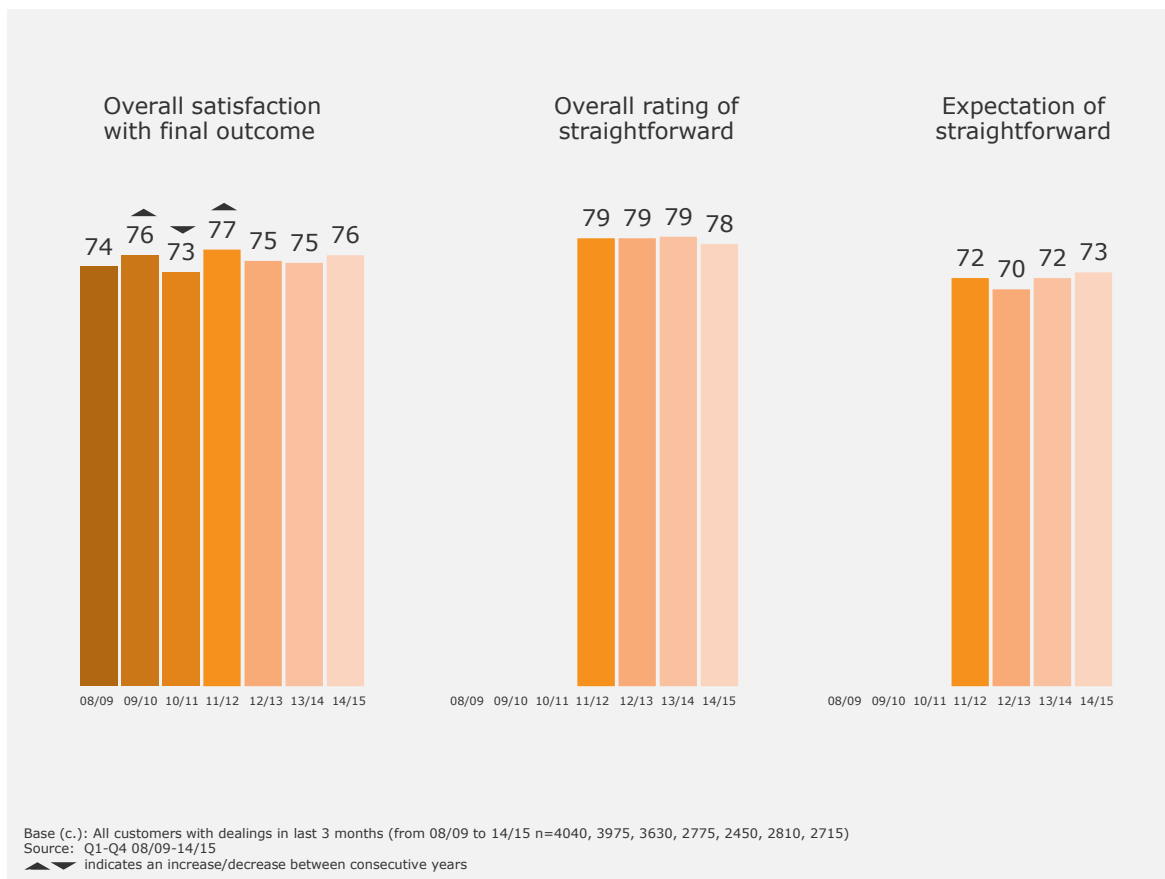
Overall customer experience ratings can be strongly influenced by two factors: satisfaction with the outcome, and prior expectations. For example, if two customers receive the same level of service, but one gains financially and the other loses, then the customer who gains financially may be more likely 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 2010/11 rather than rate how straightforward their dealing was, customers were asked to rate their overall experience, so the 2011/12 measure of Straightforward forms a new baseline. In addition, a new question was added to the survey in Q2 2011/12 asking customers to state what their expectation of Straightforwardness was before their dealings began (this question was asked before the more detailed experience questions).

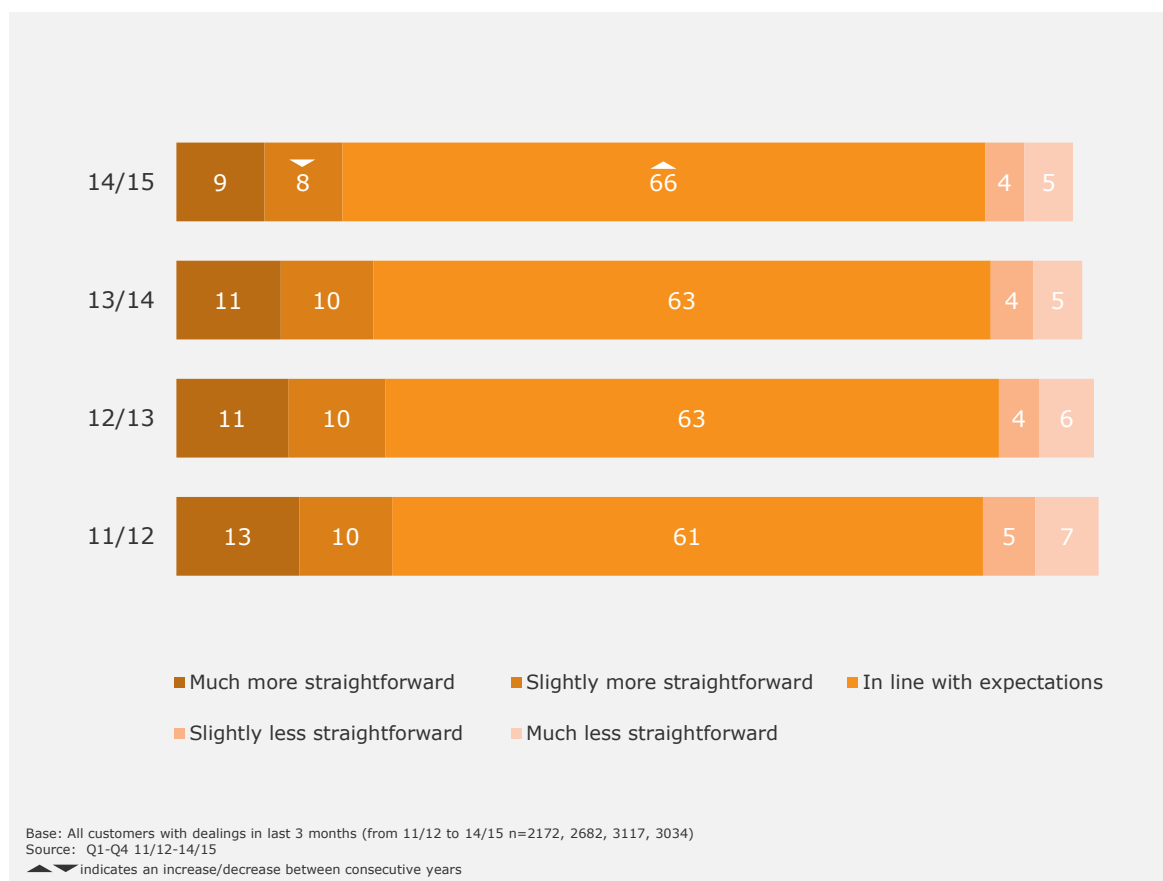
As Chart 4.8 shows, eight in ten Personal Tax customers (78%) said their experience was very or fairly Straightforward, which has remained unchanged since 2011/12. Satisfaction with the final outcome of the dealing was also rated similarly, with three quarters (76%) of Personal Tax customers very or fairly satisfied. Expectations of Straightforwardness remained in line with the previous year, with 73% rating this positively compared to 72% in 2012/13.

Chart 4.8 Overall ratings and expectation of customer experience: Personal Taxes (%)



Customers were further asked whether their experience was more or less Straightforward or in line with expectations (Chart 4.9).

Chart 4.9 Experience of Straightforwardness against expectations: Personal Taxes (%)



Two-thirds (66%) of Personal Tax customers reported that their experience was ‘in line with their expectations’, an increase on 2013/14 where 63% gave this answer. Personal Tax customers were twice as likely to report that their experience was slightly or much more Straightforward than expected (17%) than slightly or much less Straightforward (9%).

As would be expected, 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 five (22%) thought that experience was slightly or much more Straightforward than expected, compared with only two per cent who rated their experience neutrally or not being Straightforward. Of those who rated overall Straightforwardness neutrally or negatively, one-third (34%) said it was slightly or much less Straightforward than expected.

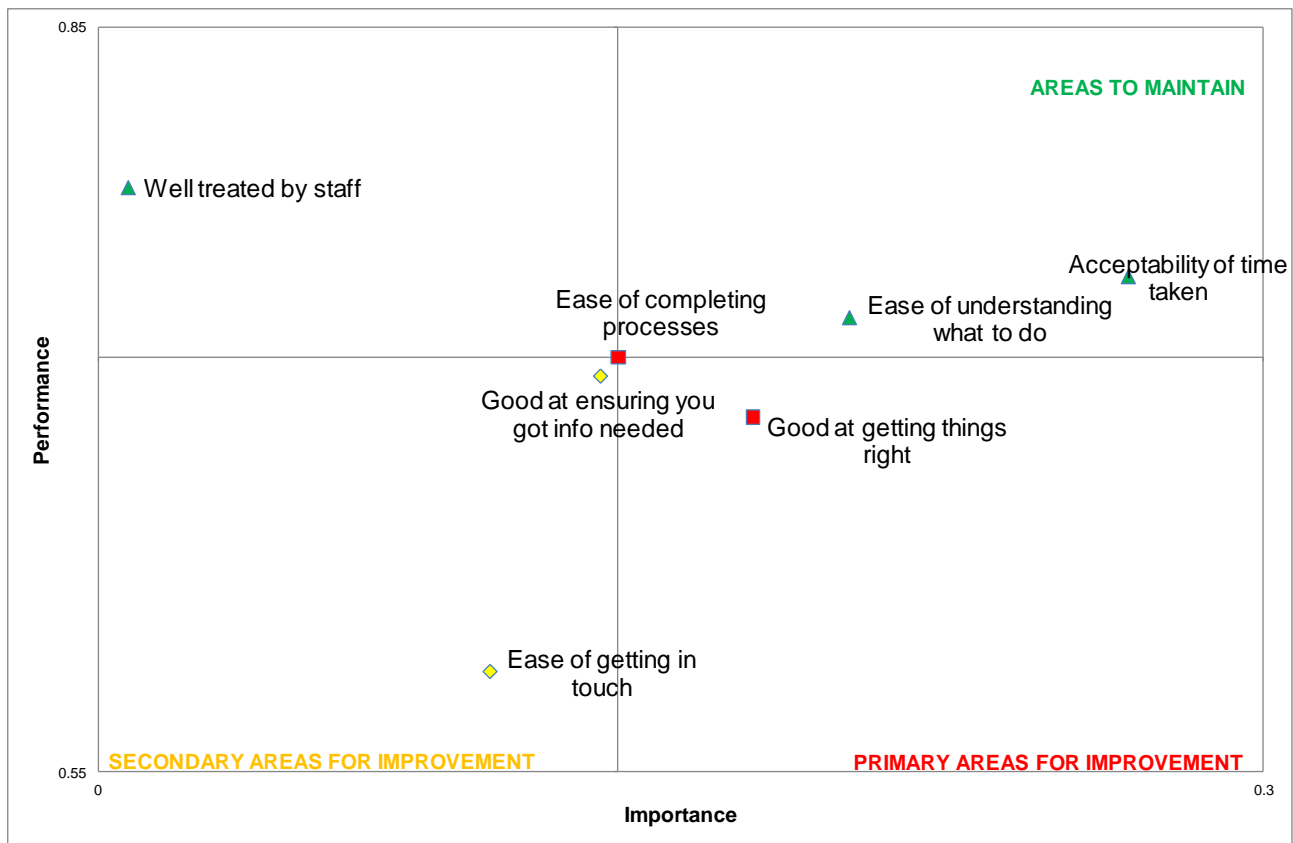
4.3.5. Dimensions of Personal Tax customer experience

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 1.5.2.

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 4.10) 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 4.10 Key drivers of Straightforward: Personal Tax customers¹⁷



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 remains relatively high in the area with the largest influence on the overall rating of Straightforward: 'Acceptability of the time taken to reach a final outcome'. This therefore needs to be maintained to retain the overall Straightforward rating.

Two areas were identified as being primary areas to target for improvement, due to their relative importance but lower performance rating. They were perceptions that 'HMRC are good at getting things right' and the 'Ease of completing the process'. Positively, however, the latter measure performs at the median performance score. As such it would not take much improvement for this to become an area to maintain.

Two factors were identified as secondary areas for improvement. These areas were 'How good HMRC was at ensuring the customer got all the information needed' and 'Ease of getting in touch', the latter measure being the lowest performing measure overall.

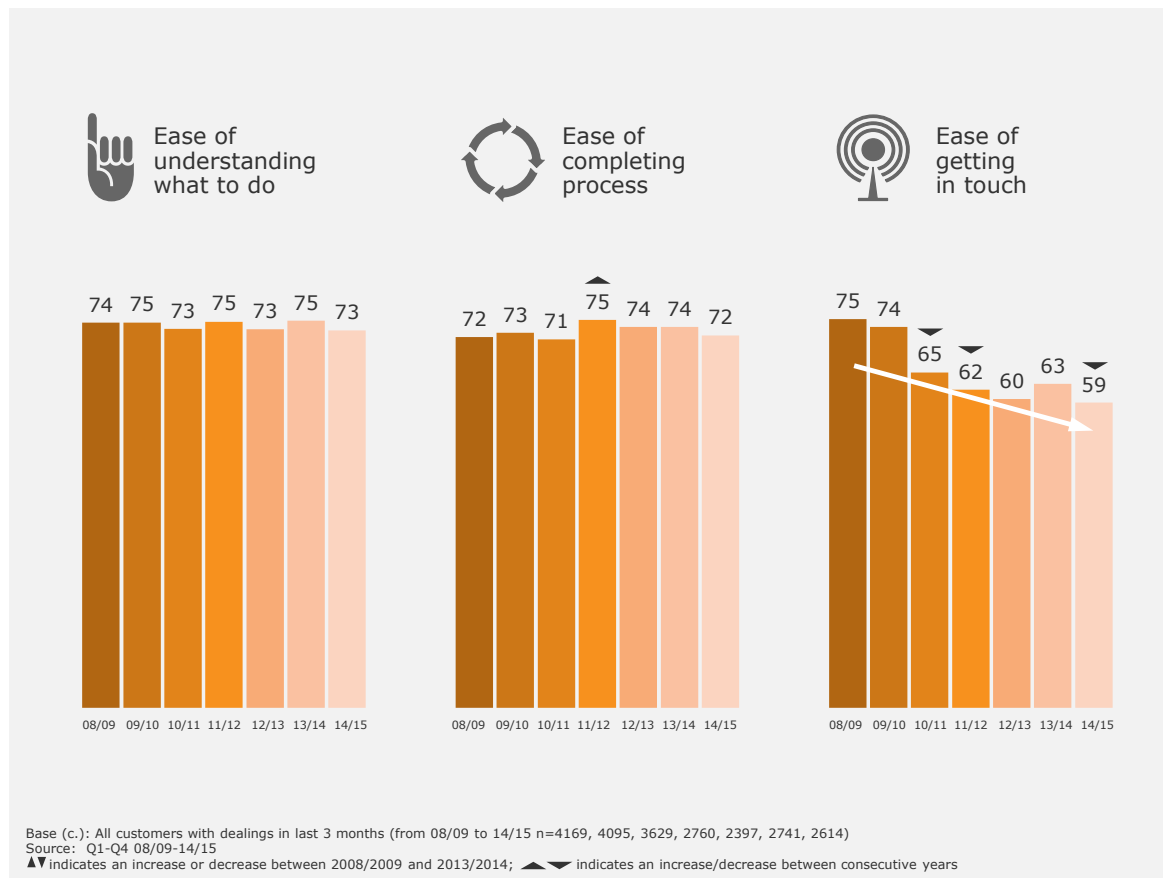
¹⁷ R² is 0.58 meaning that 58% of the variance can be accounted for in the model.

The remainder of this section will focus on measures which have shown 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 completing the processes’ as a primary area for improvement and ‘Ease of getting in touch’ as a secondary area to improve.

Chart 4.11 Measures of Simplicity: Personal Tax customers (%)



Three-quarters of Personal Tax customers (73%) felt that it was ‘Easy to understand what they needed to do’. Ratings for this measure remain unchanged since 2010/11.

‘Ease of completing the processes’ was rated positively by 72% of Personal Tax customers, lower than 2011/12 (75%), but in line with scores in 2010/11. This was identified as a primary area to improve in the Key Driver Analysis, although the score was almost perfectly matched to the median score for performance across all measures overall. To understand the results further we can look at whether ratings differ for different groups. For ‘Ease of completing the processes’ there were relatively few differences across subgroups, but those customers who used one channel to contact HMRC were more positive than those who used two or more (71% who used one channel, compared to 63% who used multiple channels).

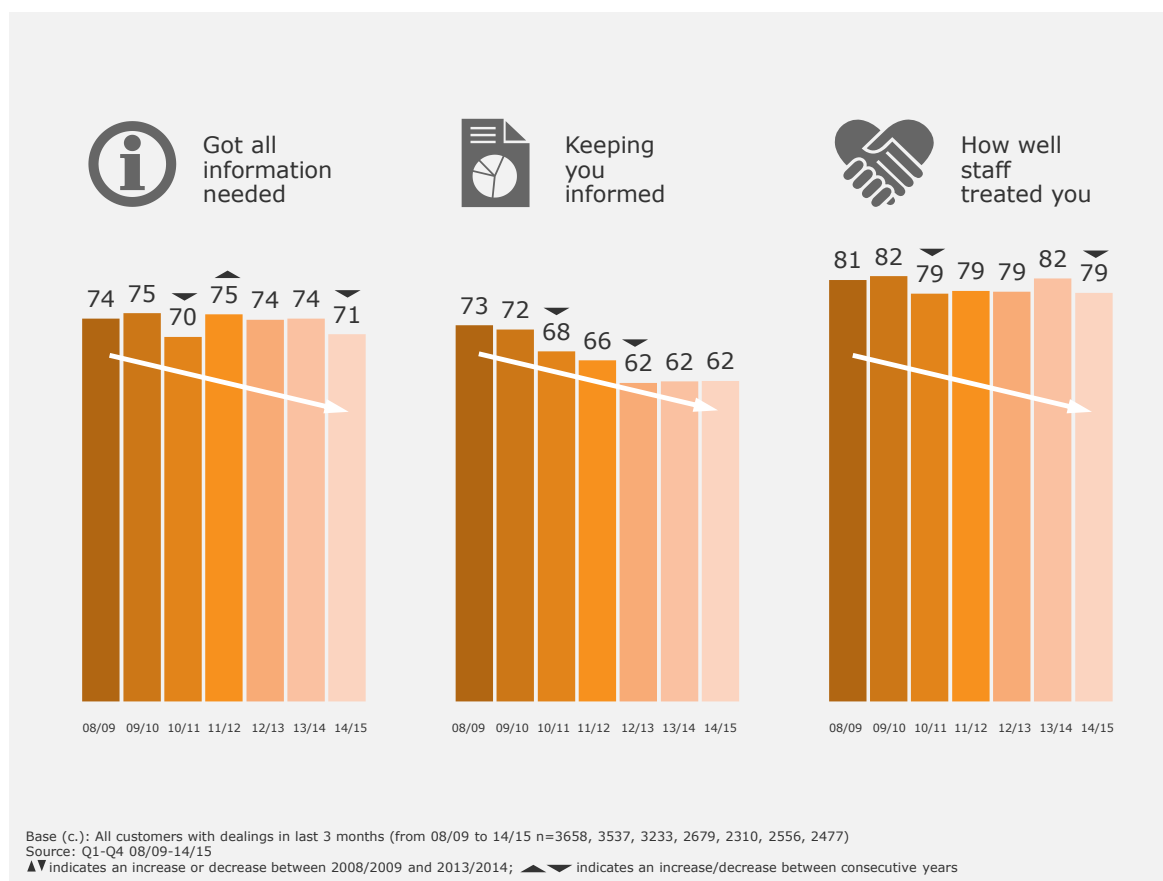
Ratings for the ‘Ease of getting in touch’ decreased between 2010/11 (65%) and 2014/15 (59%), and from 2013/14 (63%). This was identified as a secondary area to improve in the Key Driver Analysis.

Ratings for 'Ease of getting in touch' decreased for dealings with all Personal Tax products between 2013/14 and 2014/15, especially for PAYE taken from wages (from 60% to 56%). Customers aged 65+ were less positive (53%).

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'. How good HMRC were at 'Giving the customer the information they needed' was identified as a secondary area for improvement in the Key Driver Analysis.

Chart 4.12 Measures of Responsiveness: Personal Tax customers (%)



Ratings for how good HMRC were at making sure the customer could 'Get all the information needed' decreased in from 74% in 2013/14 to 71% in 2014/15. This area was identified as a secondary area for improvement in the Key Driver Analysis. Personal Tax customers whose dealings involved making contact with HMRC were less positive about 'Getting all the information needed' (65%), especially those using more than one channel (63%).

How good HMRC was at 'Keeping the customer informed about progress' was rated positively by six in ten Personal Tax customers in 2014/15 (62%), but this represents a decrease from 68% in 2010/11. However, scores have remained stable over the past few years. This was the measure with the lowest performance score overall.

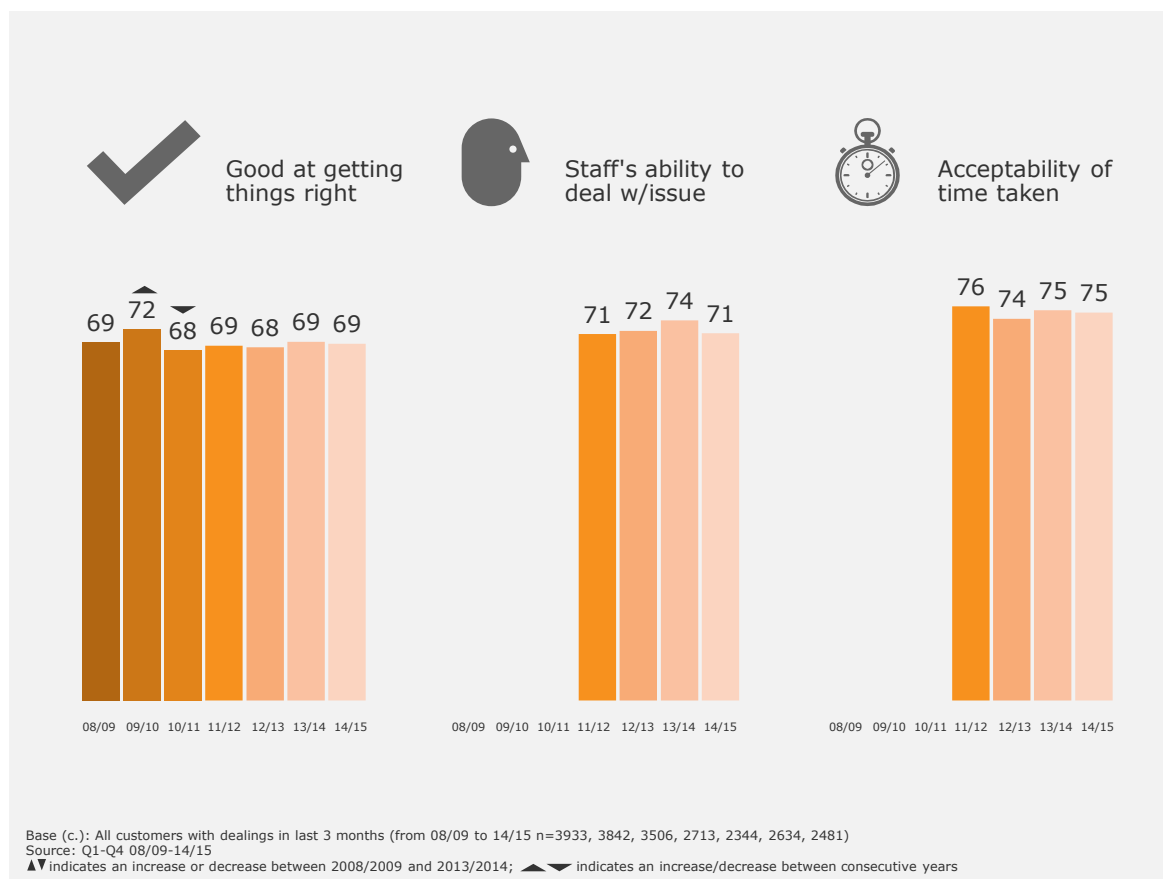
Personal Tax customers whose dealings involved making contact with HMRC were less positive about 'Being kept informed' (54%).

Whilst how well 'The customer was treated' was the strongest area of Responsiveness, with 79% giving a positive rating, this performance was below 2013/14 (82%).

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 2011/12. Being 'Good at getting things right' was identified as a primary area for improvement in the Key Driver Analysis.

Chart 4.13 Measures of Reliability: Personal Tax customers (%)



Ratings for all Reliability measures in 2014/15 remained consistent both with the previous year and longer term trends. Seven in ten Personal Tax customers rated HMRC positively for being 'Good at getting things right' (69%) and 'Staff's ability to deal with their issue' (71%). Three-quarters of Personal Tax customers (75%) rated the 'Acceptability of time taken' positively.

Being 'Good at getting things right' was identified as a key area of improvement in the Key Driver Analysis. There were few differences in ratings between subgroups, however those making contact with HMRC a part of their dealing were generally less positive (63%).

4.4. Customer experience: Benefits and Credits customers

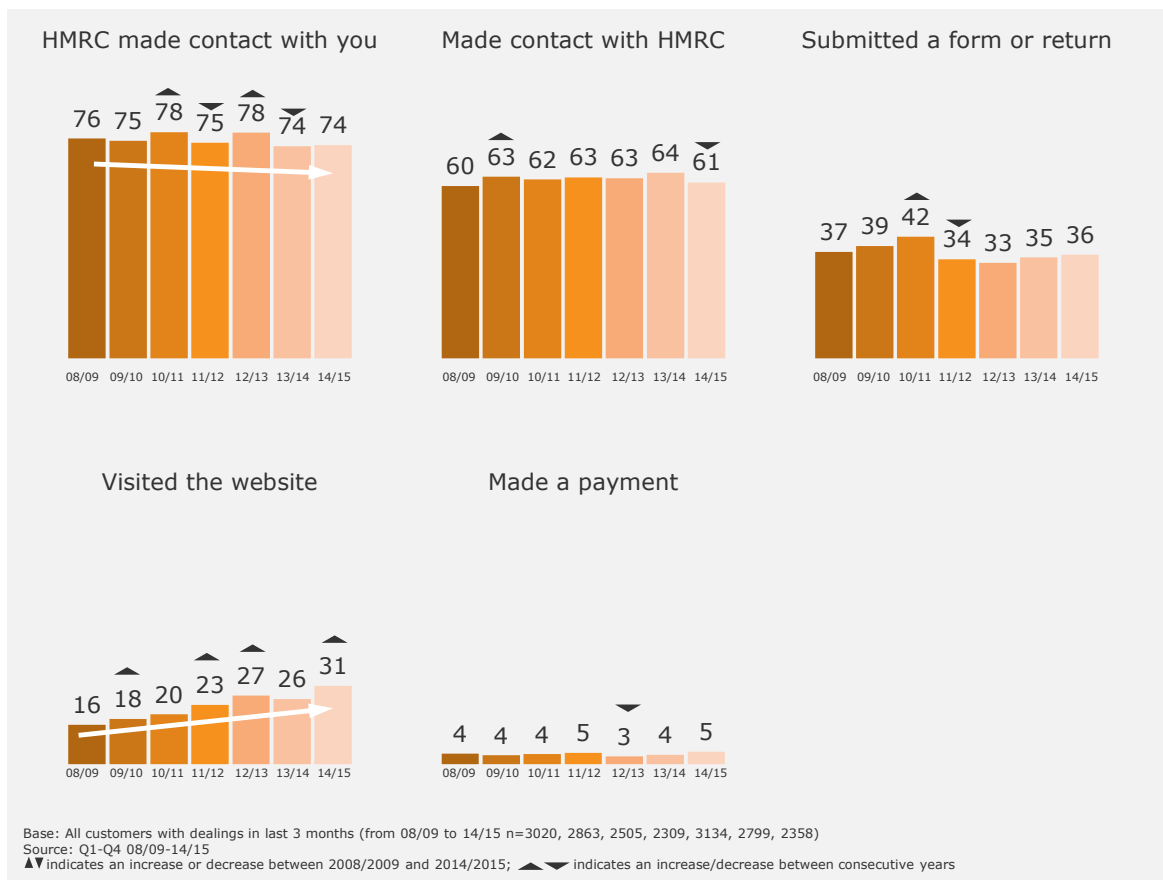
Section 4.4 describes the customer experience for those who have dealt with a Benefits and Credits claim. For respondents dealing with more than one type of Tax Credit or benefit, one was selected at random as the subject of the customer experience questions.

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 them (Chart 4.13). Three-quarters of Benefits and Credits customers (74%) reported that HMRC made contact with them in 2014/15, which represented stability following the decrease seen between 2012/13 and 2013/14. Fewer Benefits and Credits customers made contact with HMRC in 2014/15 (61%) than in 2013/14 (64%).

A third of Benefits and Credits dealings involved submission of a form or return (36%). More Benefits and Credits customers visited the website as part of their dealing in 2014/15, rising from 26% in 2013/14 to 31%, continuing the upward trend. As in previous years, a relatively small proportion of Benefits and Credits customers made a payment in 2014/15 (5%).

Chart 4.14 Types of dealings in the last three months: Benefits and Credits (%)



4.4.2. Channels of contact for Benefits and Credits customers

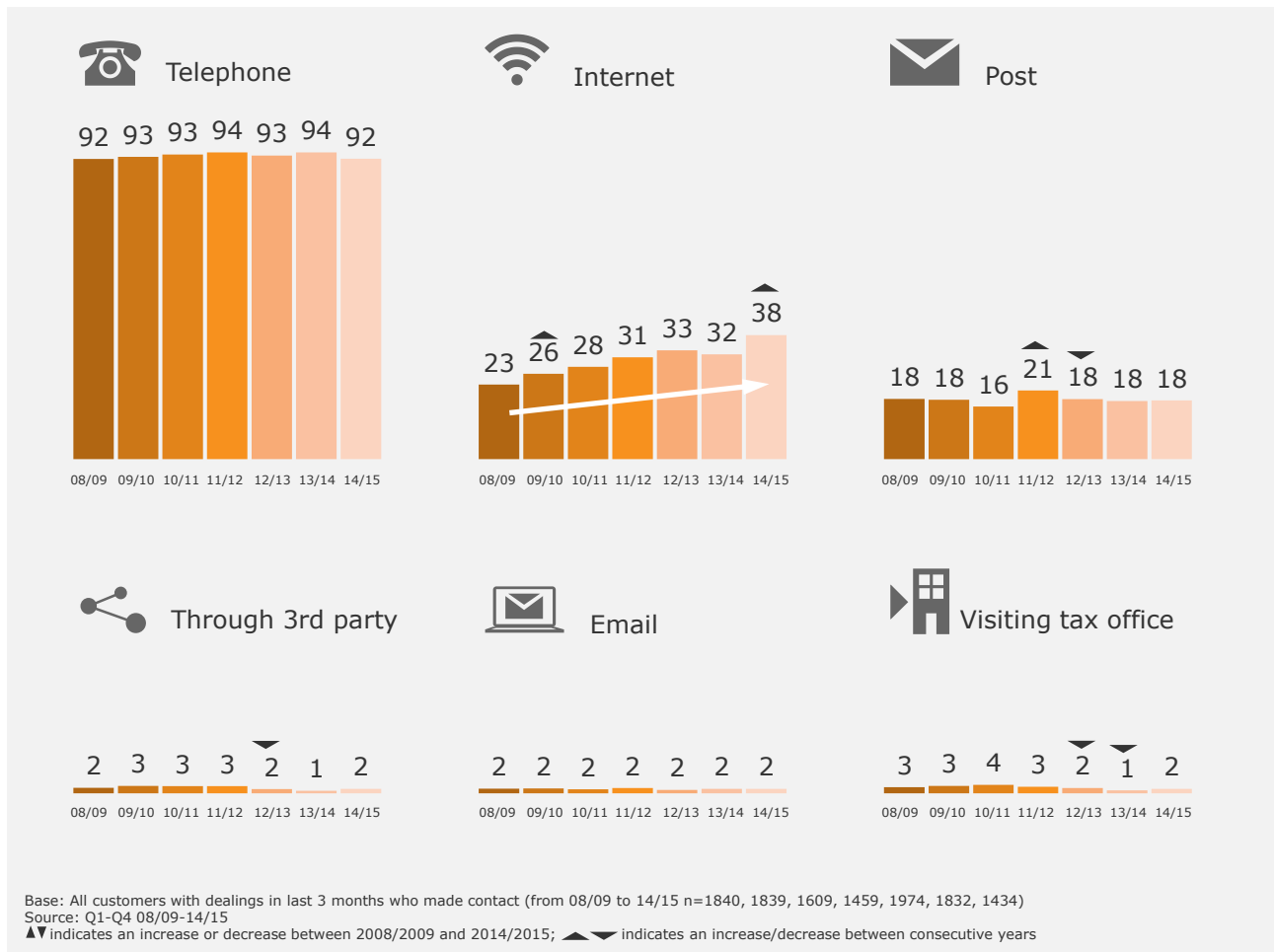
Methods of contact can also influence the customer experience. Only those who reported making contact with HMRC were asked which channel they used (61% as per section 4.4.1).

When making contact, Benefits and Credits customers were most likely to have used the telephone (93% of those making contact with HMRC). This level has remained consistent over time (Chart 4.15).

Other channels of contact were utilised at much lower levels. However the 38% of Benefits and Credits customers making contact using the internet as part of their dealing in 2014/15 represents an increase from 2013/14 (32%) and continues the upward trend since 2010/11 (28%). Two in ten

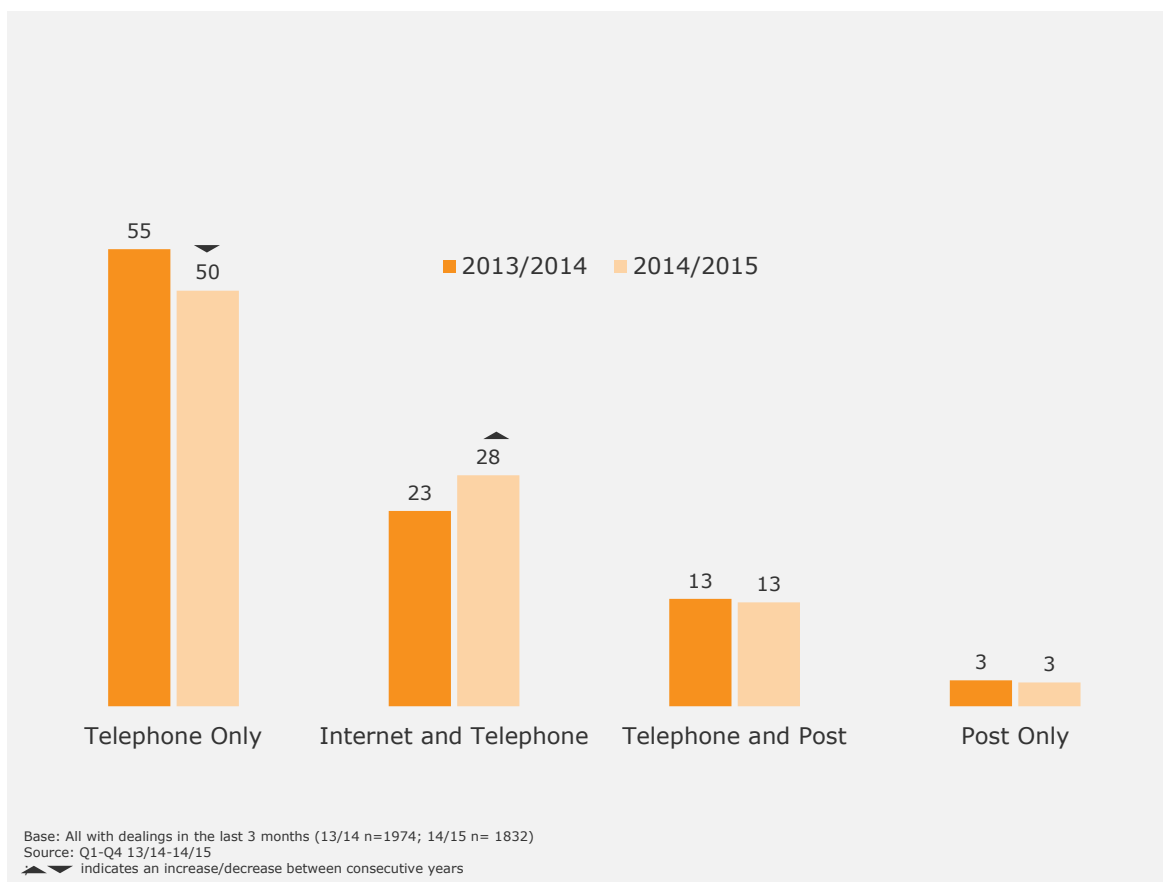
(18%) contacted HMRC via post. Only two per cent of Benefits and Credits customers making contact with HMRC reported doing so by email, through a third party or by visiting a tax office.

Chart 4.15 Channels of contact in last three months: Benefits and Credits customers (%)



There has been a decrease in Benefits and Credits customers using the telephone as the only method of contact HMRC. Half of Benefits and Credits customers who contacted HMRC used the telephone as the only method in 2014/15, a fall from 55% in 2013/14. There was a five percentage point increase in using both the internet and telephone among those who contacted HMRC (from 23% in 2013/14 to 28% in 2014/15).

Chart 4.16 Channels of contact used in combination in last three months: Benefits and Credits customers (%)



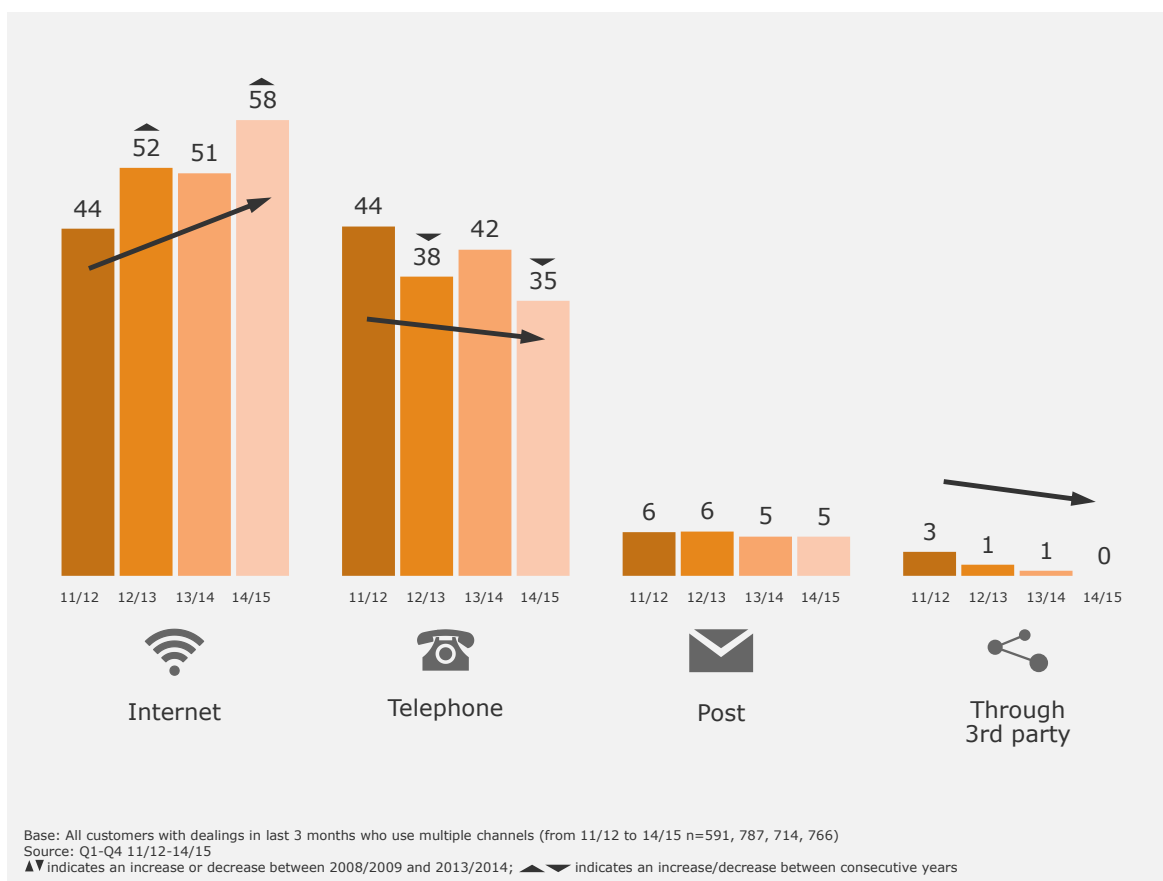
Almost half of Benefits and Credits customers making contact used more than one channel (46%), increasing from 41% in 2013/14 and continuing the upward trend.

A series of new questions were added in 2011/12 to put dealings into further context. Among customers who had used more than one method, the first channel used was most likely to be the internet (58%), followed by the telephone (35%, down from 42% in 2013/14) (Chart 4.13).

These findings suggest that, as reported last year, an increasing number of Benefit and Credit customers now tend to use the internet instead of the telephone to contact HMRC. This is in line with HMRC’s Digital by default strategy¹⁸ of encouraging internet usage.

¹⁸ HMRC Digital Strategy: 2014
<https://www.gov.uk/government/publications/hmrc-digital-strategy-2014/hmrc-digital-strategy-2014>

Chart 4.17 First channel of contact: Benefits and Credits customers (%)



One-quarter reported that they used an alternative channel because they only used the first method to get information before using the main method (25%) or did not get the information required from their first channel (23%), whilst 14% changed to an easier or preferred method. Slightly fewer customers said they were directed to use another method by HMRC or the website (10%) or were unable to make contact through their first method (11%).

Seven in ten (71%) customers who used at least two channels said that the number of times they were in contact with HMRC was acceptable, a decrease from 2013/14 (79%).

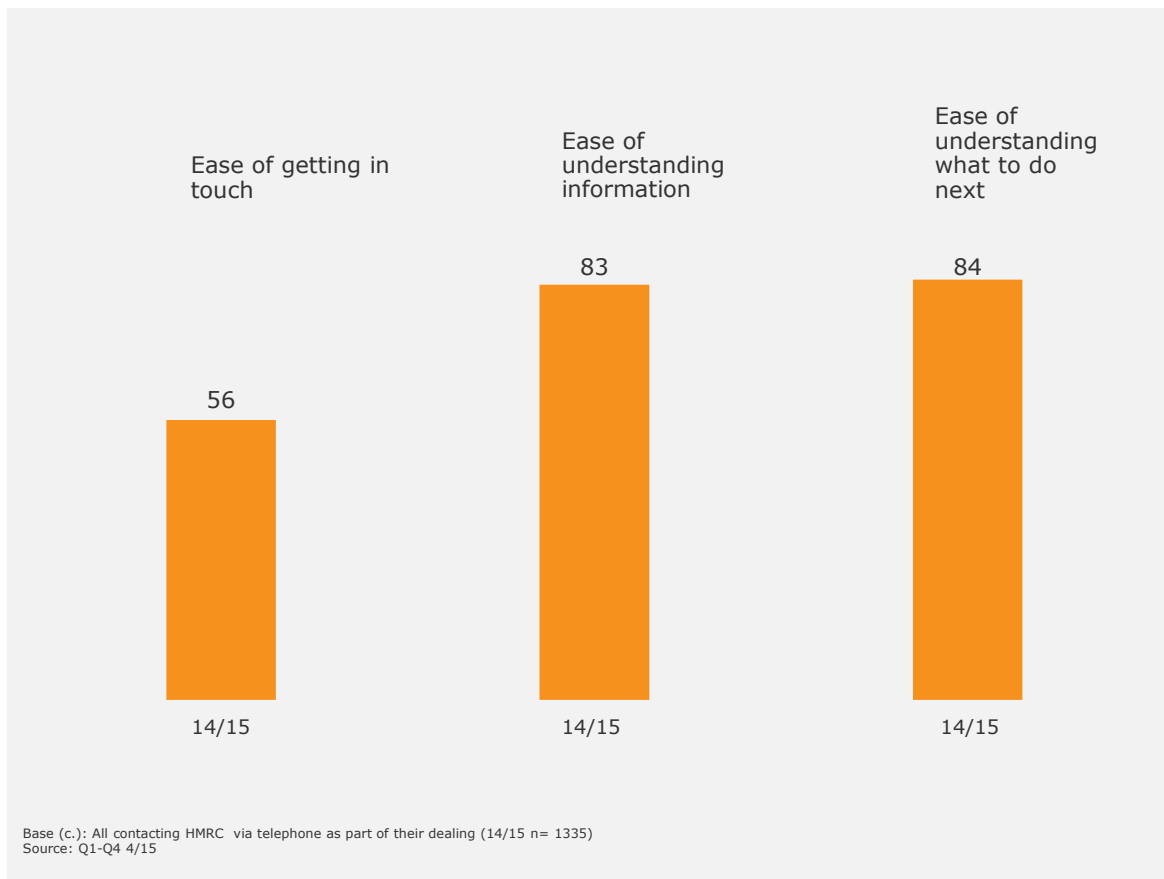
4.4.3. HMRC Contact Centres: Benefits and Credits customers

A new series of questions were added to the survey in 2014/15 to understand how the Contact Centre helpline is rated by those Benefits and Credits customers contacting HMRC via telephone. Customers were first asked whether they called the helpline or a named individual before being asked a series of questions on their experience.

Almost all (95%) Benefits and Credits customers who contacted HMRC via telephone as part of their dealing contacted the HMRC Contact Centre helpline. A small proportion (2%) contacted a named individual or another non-helpline number¹⁹.

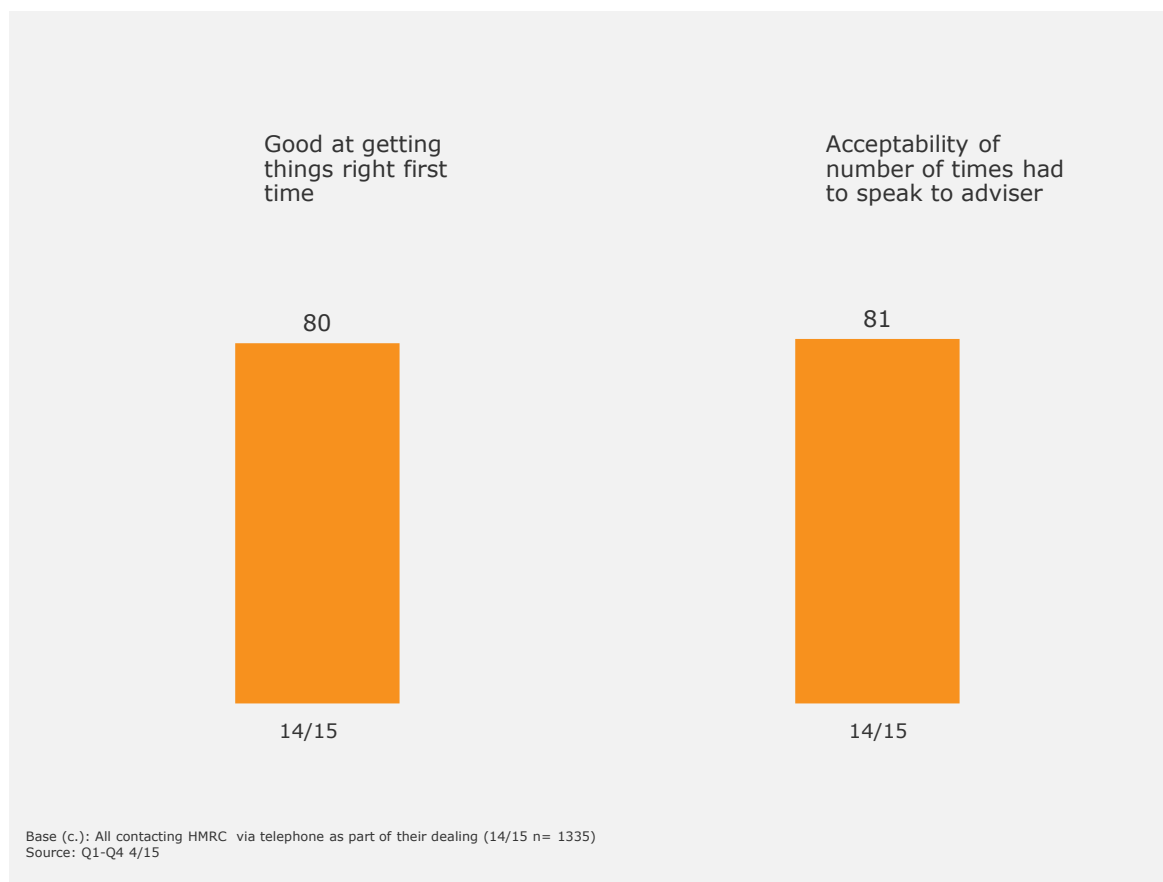
¹⁹ Comparisons between customers who contacted the Contact Centre have not been compared with those contacted a named adviser due to the low base size of this group.

Chart 4.18 Ease of Dealing with HMRC Contact Centre: Benefits and Credits customers



Six in ten (56%) Benefits and Credits customers rated the 'Ease of getting in touch' with the Contact Centre helpline or named adviser positively. Eight in ten rated the 'Ease of understanding the information provided' (83%) and 'Ease of understanding what they had to do to resolve their query' (84%) positively.

Chart 4.19 HMRC Contact Centres: Other Measures: Benefits and Credits customers



Benefits and Credits customers were highly positive about the ability of the helpline or named adviser to get things right and the number of times they had to speak to an adviser with eight in ten rating these measures positively. Eight in ten (80%) felt HMRC were ‘Good at getting things right first time’, whilst 81% found the ‘Number of times they had to speak to an adviser acceptable’.

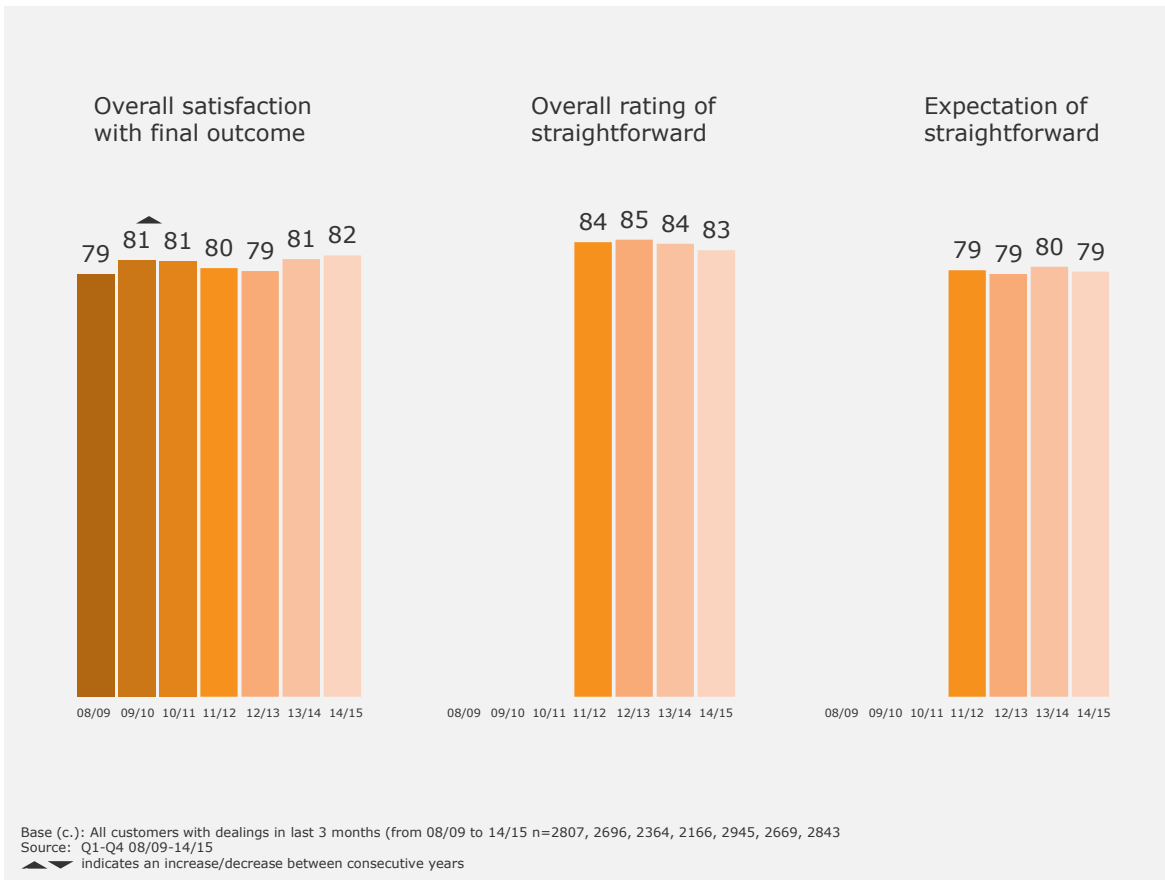
4.4.4. Overall ratings of Benefits and Credits customers

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 may be more 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 2010/11 rather than rate how Straightforward their dealing was, customers were asked to rate their overall experience, so the 2011/12 measure of Straightforward forms a new baseline. In addition, a new question was added to the survey in Q2 2011/12 asking customers to state what their expectation of Straightforwardness was before their dealings began (this question was asked before the more detailed experience questions).

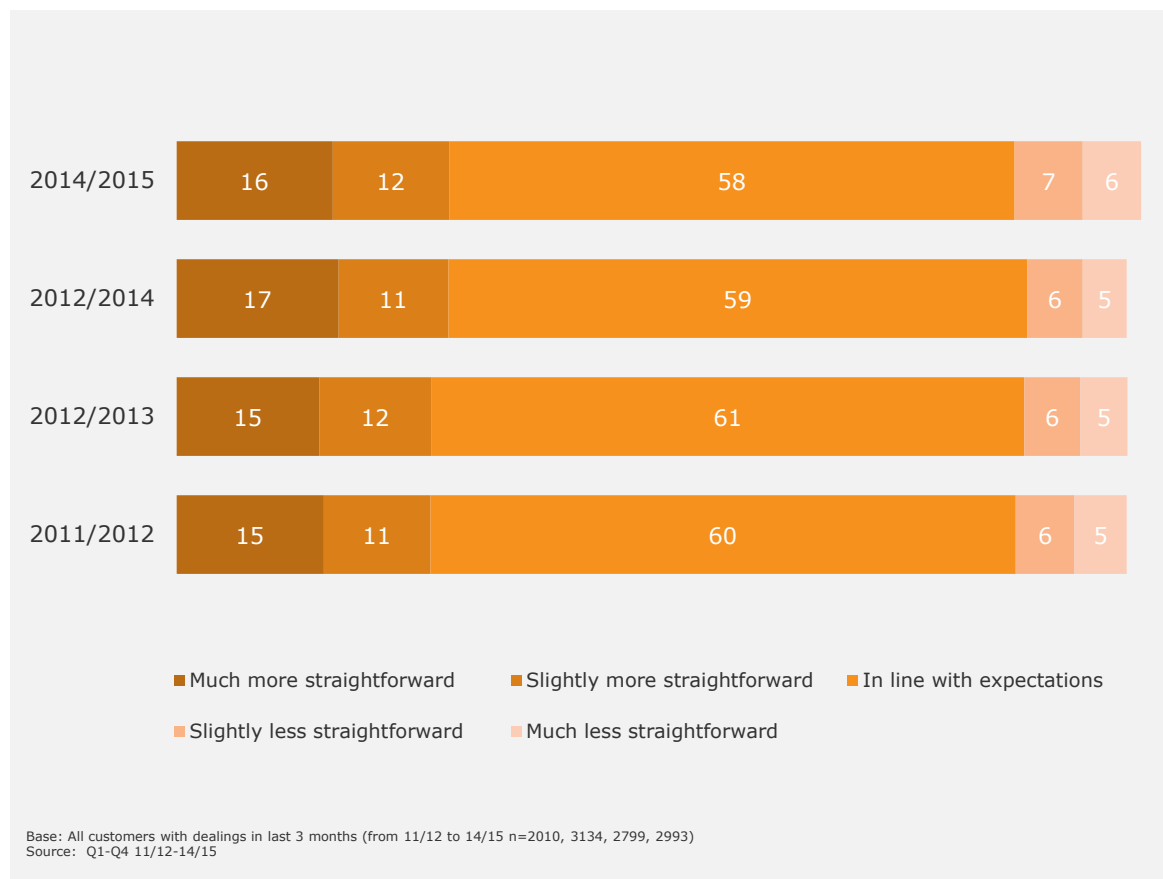
Chart 4.20 Overall ratings and expectation of customer experience: Benefits and Credits (%)



Eight in ten Benefits and Credits customers (83%) felt their experience was very or fairly Straightforward. Just over one in ten (12%) gave a negative rating. This is in line with ratings in previous years. Eight in ten (83%) Benefits and Credits customers were very or fairly satisfied with the final outcome of their dealing. This measure has remained largely consistent since 2010/11.

Customers were further asked whether their experience was more or less Straightforward or in line with expectations (Chart 4.21)

Chart 4.21 Experience of Straightforwardness against expectations: Benefits and Credits (%)



Six in ten (58%) Benefits and Credits customers reported that their experience was in line with expectations. Three in ten (28%) said it was slightly or much more Straightforward than expected, double the number who found it slightly or much less Straightforward than expected (12%).

There continued to be a strong relationship between ratings of Straightforwardness against expectations and overall rating of Straightforwardness. Among Benefits and Credits customers who rated their experience very or fairly Straightforward, a third (34%) thought that experience was slightly or much more Straightforward than expected, compared with only two per cent who rated their experience neutrally or not Straightforward. In contrast, half (49%) of those who rated overall Straightforward neutrally or negatively said their dealing was slightly or much less Straightforward than expected.

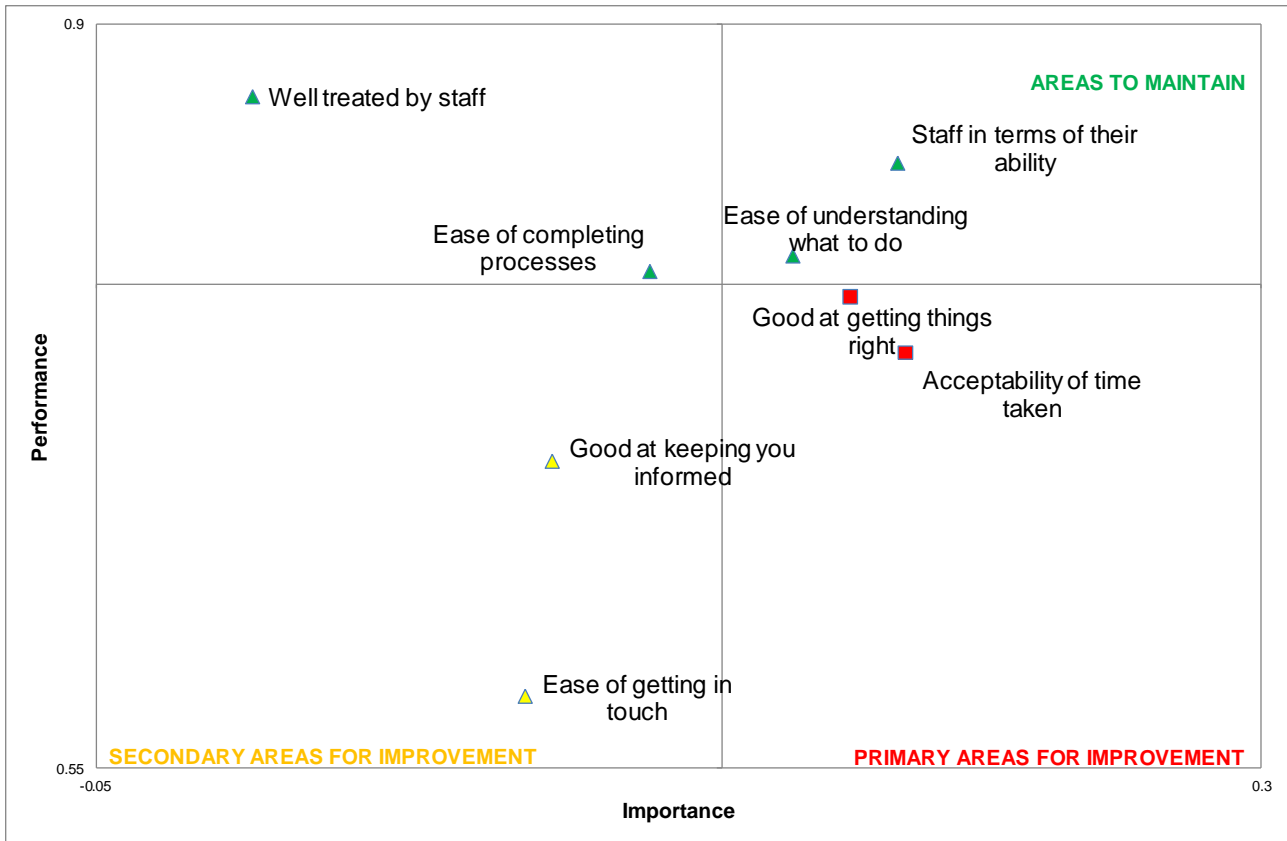
4.4.5. Dimensions of Benefits and Credits customer experience

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 1.5.2.

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 4.22) 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 4.22 Key drivers of Straightforward: Benefits and Credits customers²⁰



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.

Two areas were identified as being primary areas to target for improvement, due to their high importance but lower than average performance rating. They were the ‘Acceptability of time taken to reach an end result’ and how good HMRC were at ‘Getting things right’. The ‘Acceptability of time taken’ was actually identified as the measure with biggest impact on overall Straightforward scores and thus should be a particular focus for improvement. Both of these areas are only just below the median performance score, so whilst improvement is important, performance is not necessarily a strong concern.

Two further factors were identified as secondary areas for improvement. These areas, the two lowest performing overall, are ‘Keeping the customer informed of progress’ and ‘Ease of getting in touch’. ‘Ease of getting in touch’ had the lowest performance score by some way (58%).

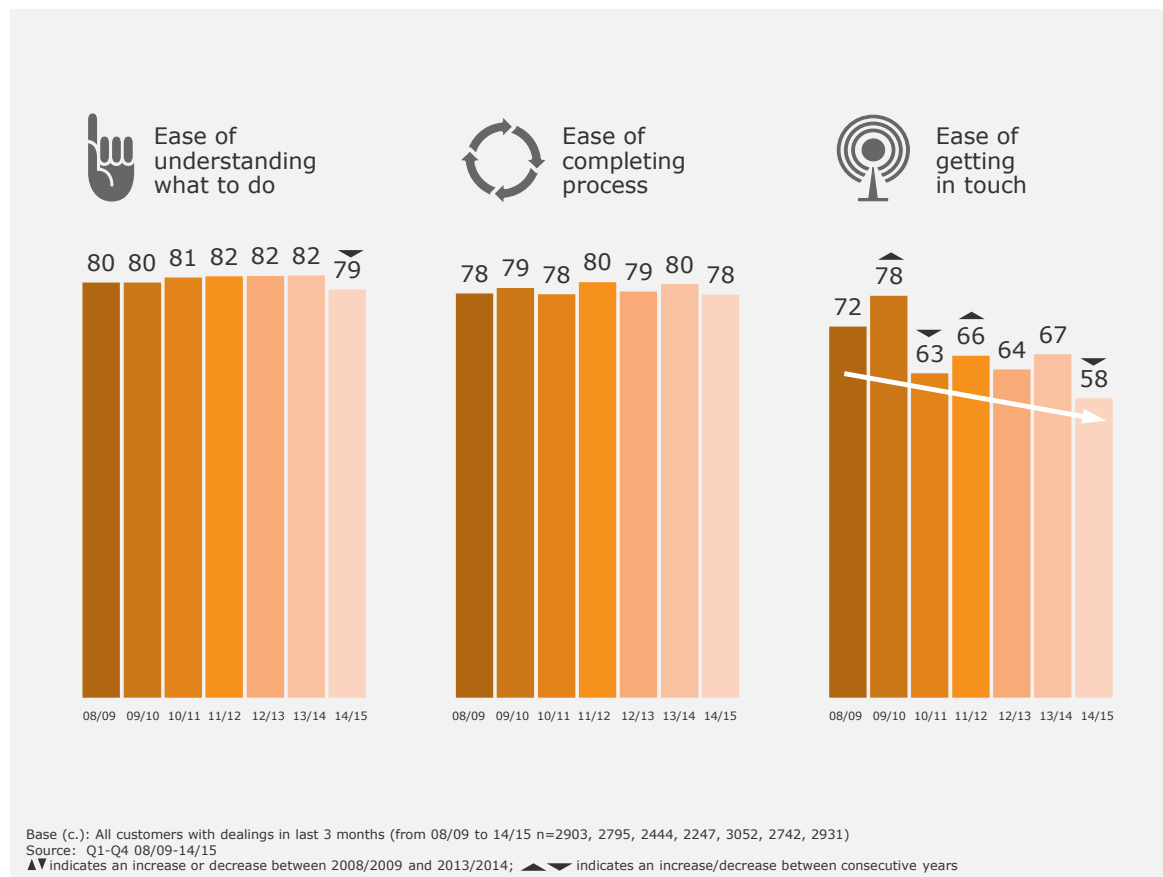
The remainder of this section will focus on measures which have shown change over time, or which have been identified as areas for improvement in the Key Driver Analysis to help shed more light on potential areas for improvement.

²⁰ R² is 0.59 meaning that 59% of the variance can be accounted for in the model.

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’. The Key Driver Analysis identified ‘Ease of getting in touch’ as a secondary area for improvement.

Chart 4.23 Measures of Simplicity: Benefits and Credits customers (%)



Eight in ten Benefits and Credits customers felt that it was easy to ‘Understand what they needed to do’ (79%), a decrease from the 82% who reported this in 2013/14. A similar number of customers felt it was easy to ‘Complete the process’ related to their dealings (78%), in line with previous years. Despite the decrease, ‘Ease of understanding’ was identified as a strong area of performance to maintain in the Key Driver Analysis, as was ‘Ease of completing the process’.

To understand the results further we can look at whether ratings differ for different groups. The decrease in positive ratings for ‘Ease of understanding’ what to do was driven by those dealing with general queries (69% down from 79% in 2013/14) rather than any specific products. Those who used more than one channel to contact HMRC rated the ‘Ease of completing the process’ less positively (73%).

In contrast to the other two Simplicity measures, perceived ‘Ease of getting in touch’ had varied in performance over time and decreased in the past year (from 67% in 2013/14 to 58% in 2014/15). Despite being the lowest performing measure overall, this was identified as a secondary area to improve in the Key Driver Analysis given its relatively low impact on overall Straightforwardness.

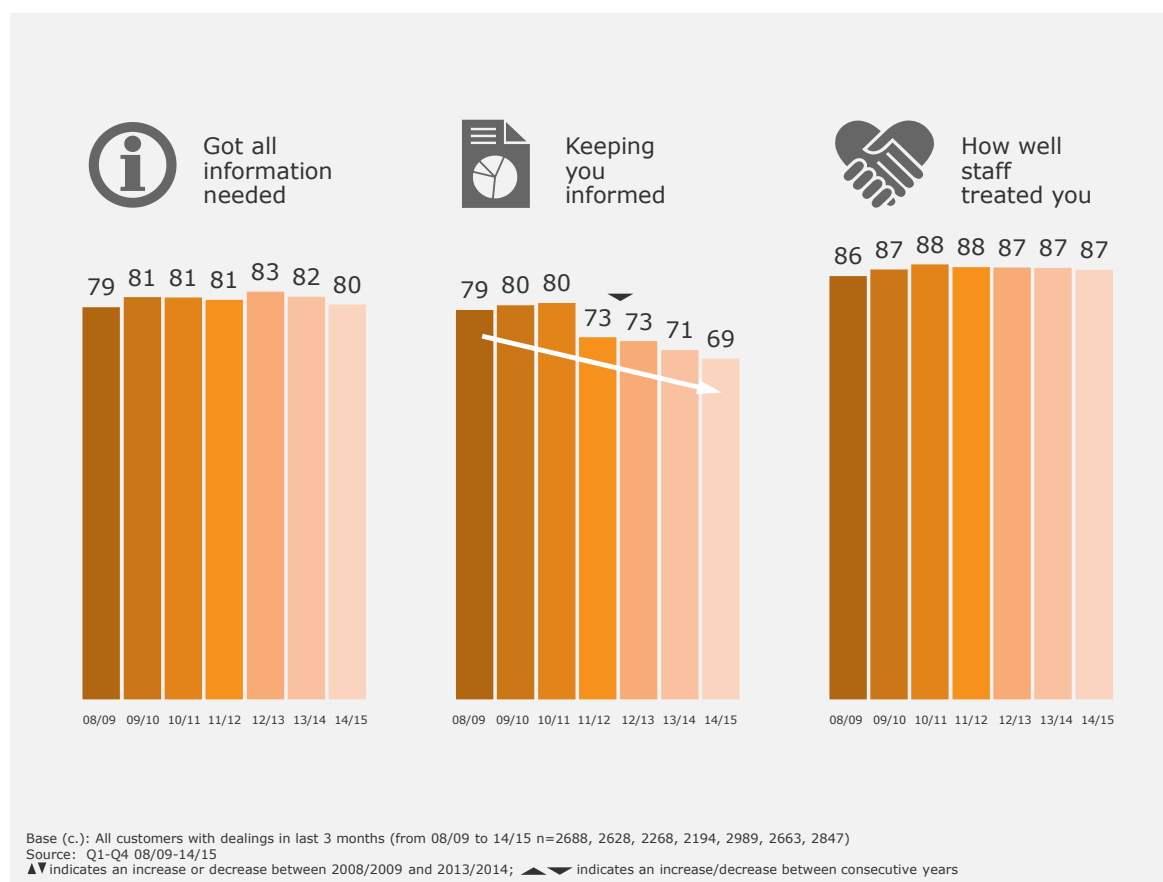
The decrease in ratings for ‘Ease of getting in touch’ between 2013/14 and 2014/15 was seen across different products, particularly in dealings with Working Tax Credit (from 63% to 57%), Child

Tax Credit (from 66% to 55%) and general queries (from 66% to 55%). A decrease was also seen amongst those customers contacting HMRC by telephone (from 67% to 57%). Customers whose dealings were made through just one channel rated the 'Ease of getting in touch' more positively (61%) than those using more than one channel (51%). However it is worth noting that scores amongst both these groups declined in 2014/15 (from 71% and 62% respectively in 2013/14)

4.4.8. Responsiveness for Benefits and Credits customers

Customers were asked to rate the Responsiveness of HMRC in terms of how good they 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 4.24 Measures of Responsiveness: Benefits and Credits customers (%)



Eight in ten Benefits and Credits customers felt HMRC were good at making sure they 'Got all the information they needed' (80%), whilst almost nine in ten (87%) were positive about 'How well staff treated them' as part of their dealings. Both measures have remained consistently strong over time.

How good HMRC was at 'Keeping the customer informed about progress' was rated highly by eight in ten (80%) Benefits and Credits customers in 2010/11, but this decreased to 69% in 2014/15. However, positive ratings for dealings with Child Benefit increased in 2014/15 (82% from 69% in 2013/14).

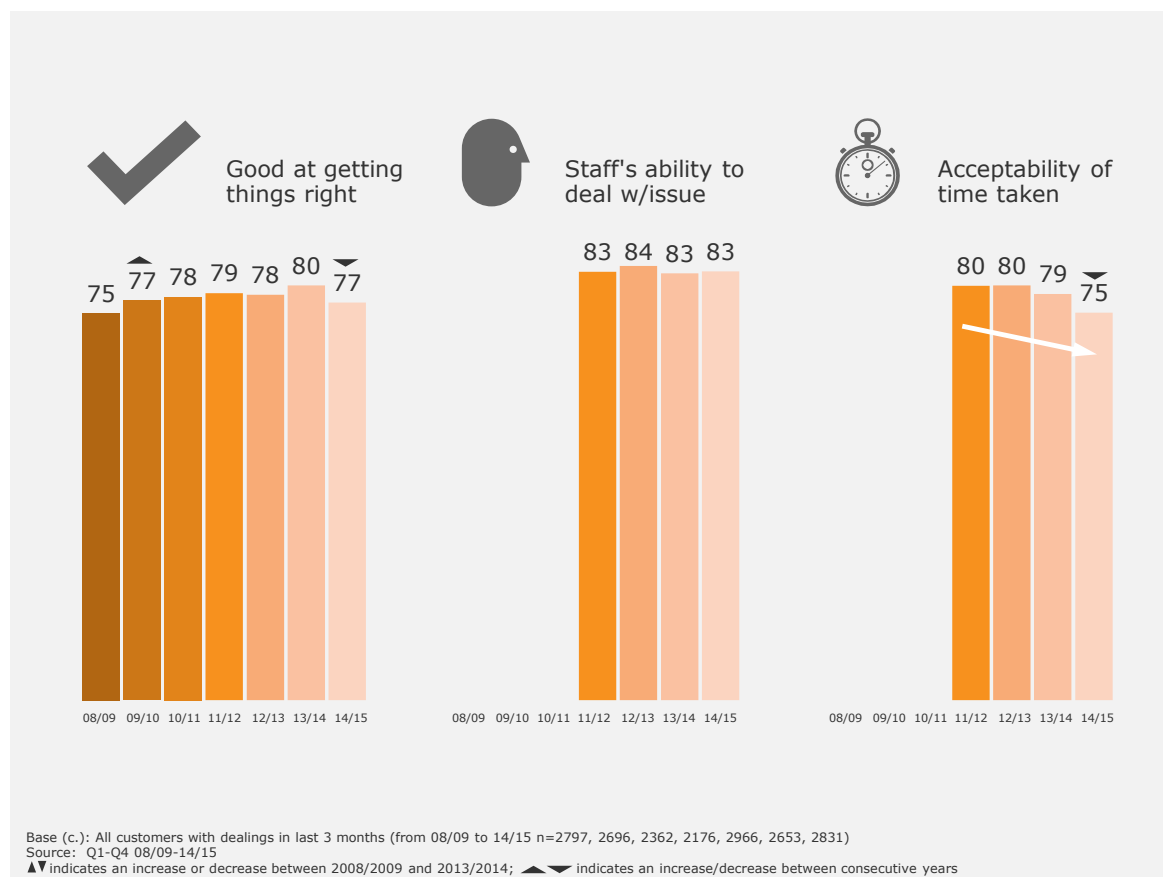
Those dealing with a general query rated 'Being kept informed' less positively (56%) as did those using more than one channel to contact HMRC (58%).

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'. The measures for both 'Staff's ability to deal with the issue' and the 'Acceptability of time taken' were added to the survey in 2011/12.

Both 'Acceptability of time taken' and 'Getting things right' were identified as primary areas for improvement in the Key Driver Analysis. However, scores for both measures are only just below the median performance score overall which means only a small improvement would be necessary.

Chart 4.25 Measures of Reliability: Benefits and Credits customers (%)



Positive ratings for how good HMRC were at 'Getting things right' decreased between 2013/14 and 2014/15 (from 80% to 77%). This decrease was driven by dealings with Child Tax Credit (76% down from 80% in 2013/14). As in previous years, ratings for Child Benefit dealings were highest (86%).

Those visiting the website (74%) and those making contact with HMRC via the website (72%) also gave lower ratings for how good 'HMRC were at getting things right'. Customers who used only one channel were more positive (78%) than those using more than one channel (71%).

Positive ratings for the 'Acceptability of time taken to reach an end' result fell in 2014/15, down from 79% in 2013/14 to 75%. The decrease was driven by dealings with Child Tax Credits (73% down from 79% in 2013/14). Those who contacted HMRC via more than one channel were also less positive (66%). However, whilst scores amongst this group remained consistent with 2013/14

(68%), scores amongst those contacting HMRC via one channel fell from 82% in 2013/14 to 72% in 2014/15.

In contrast to the other two measures, staff's 'ability to deal with the issue', was rated positively by 83% of Benefits and Credits customers and remained in line with 2013/14 and the longer term trend from 2011/12 when this measure was first introduced (both 83%).

4.5. Reputation

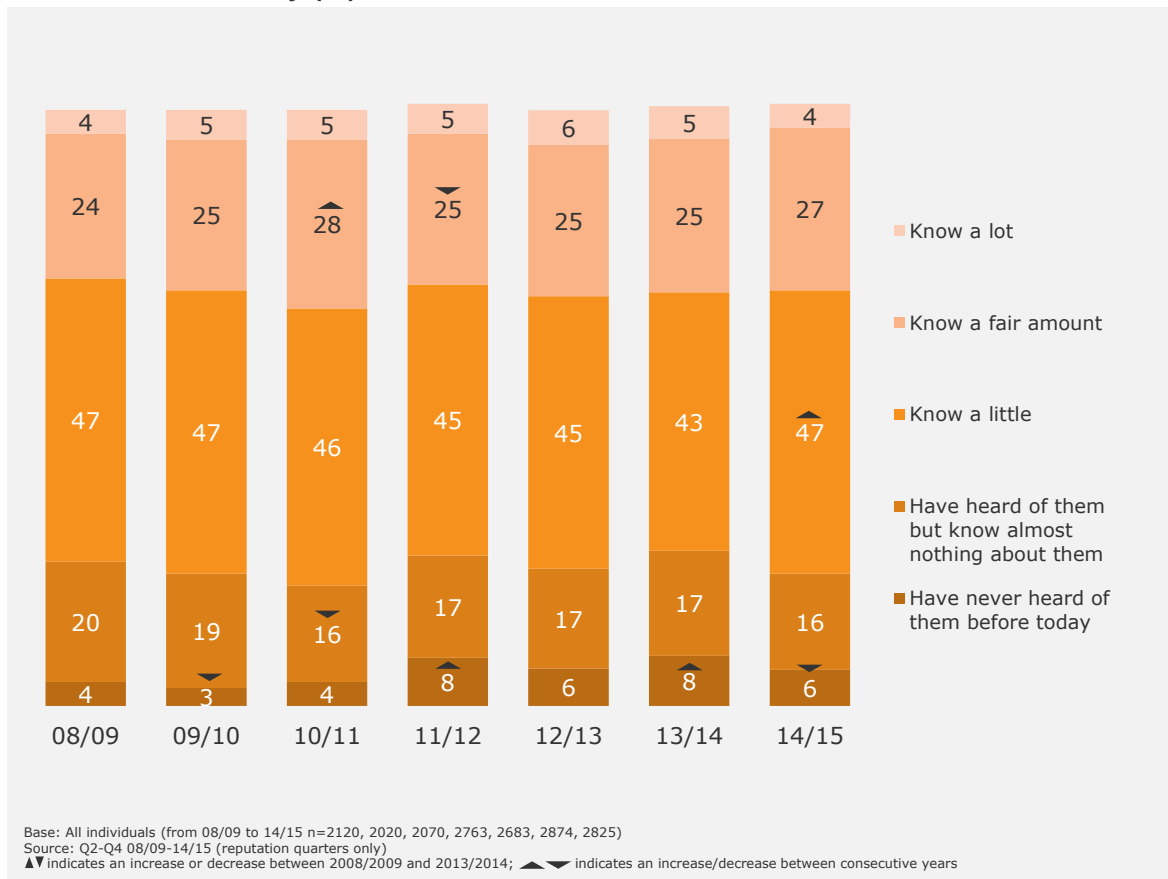
Every second quarter (Q2 and Q4) a module is included in the customer survey to measure HMRC's Reputation among those who may or may not have had any recent direct dealings with the Department and therefore encompass a broader target population than the customer experience questions.

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.

4.5.1. Familiarity

It is important to establish Familiarity (in conjunction with frequency of dealing with HMRC) to help determine the extent that customers' opinions of HMRC are likely to be based on experience or other influences such as word of mouth or the media. The majority of Individuals knew at least a little about HMRC (78% up from 74% in 2013/14). Only four percent felt they knew a lot about HMRC. These levels have remained broadly unchanged through the life of the survey.

Chart 4.26 Familiarity (%)



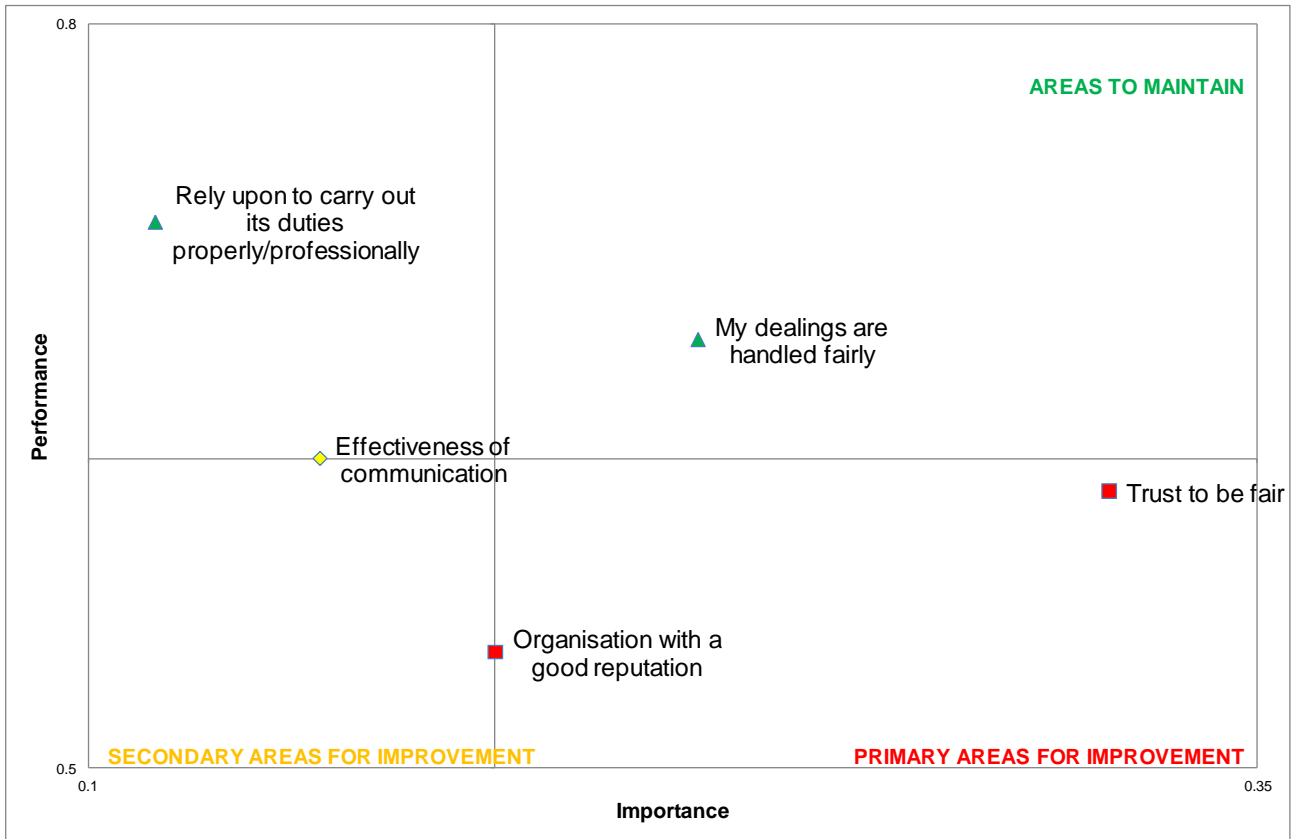
4.5.2. Measures of Reputation

The customer survey looks at several additional measures which may well influence the overall Reputation of HMRC.

4.5.3. 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 4.27). A more detailed description of Key Driver Analysis is in Appendix A.

Chart 4.27 Key drivers of overall Favourability²¹



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 the most important measure impacting on the overall Favourability score. Given its relatively poor performance it was therefore identified as a key area for improvement. However, the score is only marginally below the median performance score overall.

The model also identified perceptions that ‘HMRC is an organisation with a good reputation’ as a key area for improvement. However this factor was found to be less important to overall Favourability, with improvement required due to the fact it was the lowest performing measure overall.

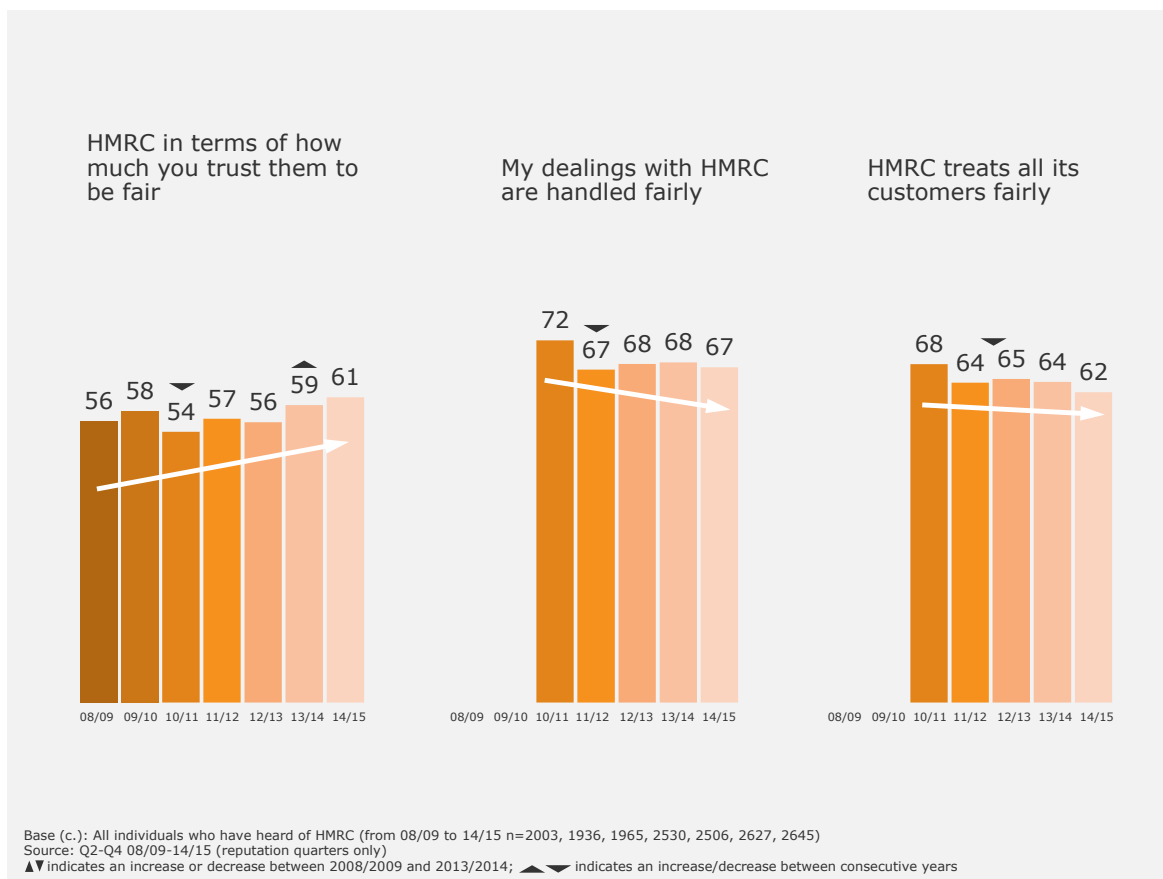
‘Effectiveness of communication’ was identified as a secondary focus for improvement, as it has a lower rating for importance but is also an area where performance is poor. ‘Dealing with customers fairly’ and ‘Carrying out duties properly and professionally’ are areas with strong performance and therefore should be maintained.

²¹ R² is 0.38 meaning that 38% of the variance can be accounted for in the model.

4.5.4. 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.

Chart 4.28 Measures of Fairness (%)



In 2014/15, six in ten (61%) Individuals 'Trusted HMRC to be fair' which was in line with 2013/14 (59%) and higher than 2010/11 (54%). Those who have had recent dealings with HMRC were generally more positive (71% compared to 58% of those with no recent dealings).

The perception that 'Customer dealings are handled fairly' by HMRC was rated positively by two-thirds of Individuals in 2014/15 (67%). This performance is in line with scores since 2011/12 but below the level first recorded in 2010/11 (72%). Again, those with dealings in the last three months were more positive (81% versus 63% of those without recent dealings). Those Individuals who were self-employed were also more positive (81%).

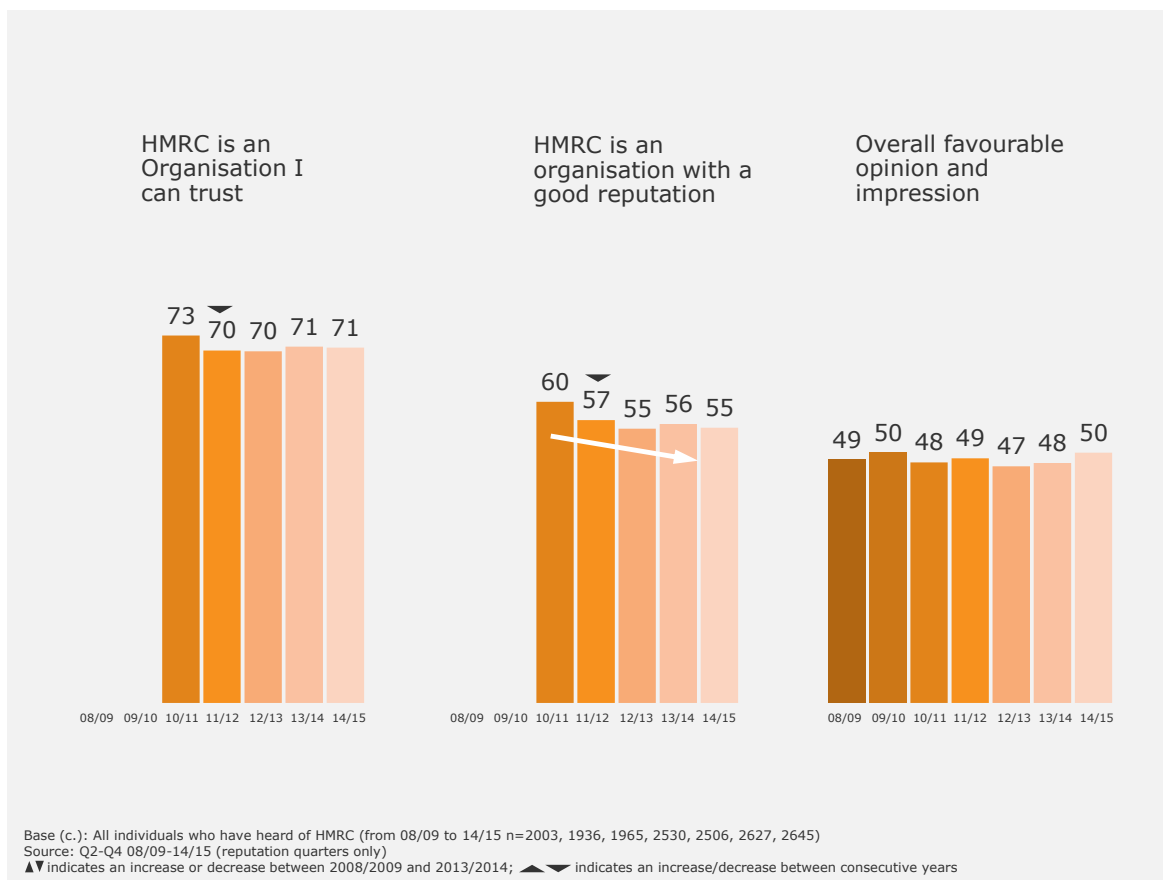
Six in ten Individuals agreed that as far as they knew 'HMRC treated all its customers fairly' (62%) in 2014/15. Again this score is in line with performance since 2011/12 (64%). The decrease in ratings for 'HMRC treats all its customers fairly' continued to be observed for Individuals who had not dealt with HMRC in the last three months (60% down from 67% in 2010/11). This fell for Individuals in full time employment (62% in 2014/15, down from 70% in 2013/14).

4.5.5. 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 Key

Driver Analysis identified 'HMRC is an organisation with a good reputation' as a primary area for improvement.

Chart 4.29 Measures of Favourability (%)



Seven in ten Individuals (71%) perceived 'HMRC to be an organisation that they can trust' in 2014/15, in line with performance in recent years.

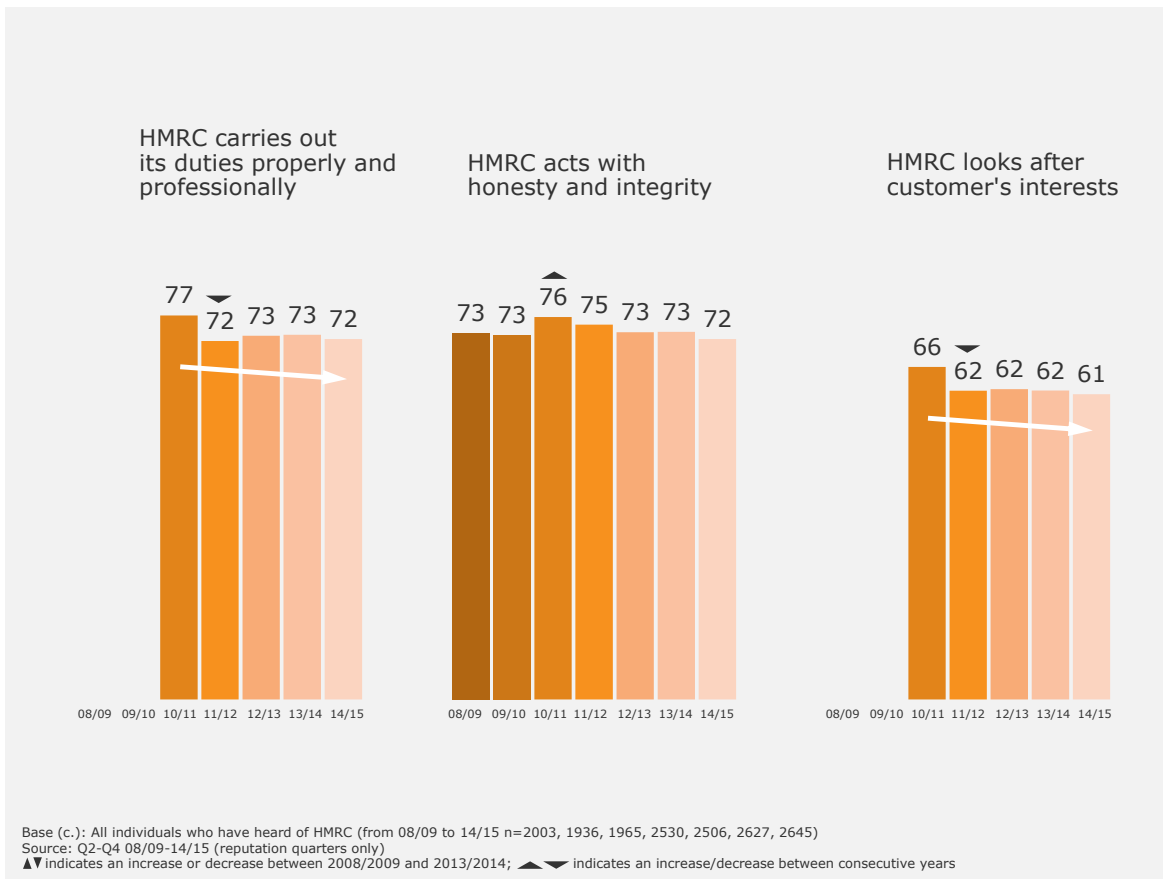
Ratings of 'HMRC as an organisation with a good reputation' in 2014/15 (55%) were in line with scores between 2010/11 and 2013/14, but below the 2010/11 baseline (60%) when this measure was first introduced.

'Overall Favourability' has remained consistent over time, with half of all Individuals (50%) rating HMRC favourably in 2014/15.

4.5.6. 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 4.30).

Chart 4.30 Measures of Trust (%)



Two of the measures of Trust, perceptions that ‘HMRC carries out its duties properly and professionally’ and that ‘HMRC looks after customer’s interests’ were first introduced in 2010/11. In 2014/15 both measures remained consistent with scores since 2011/12. However they remain below the 2010/11 baseline as scores for both measures decreased in 2011/12. Seven in ten (72%) Individuals in 2014/15 believe that ‘HMRC carries out its duties properly and professionally’ (compared to 77% in 2010/11). In 2014/15, fewer Individuals feel that ‘HMRC looks after customer’s interests’ than when this measure was first introduced (61% down from 66% n 2010/11).

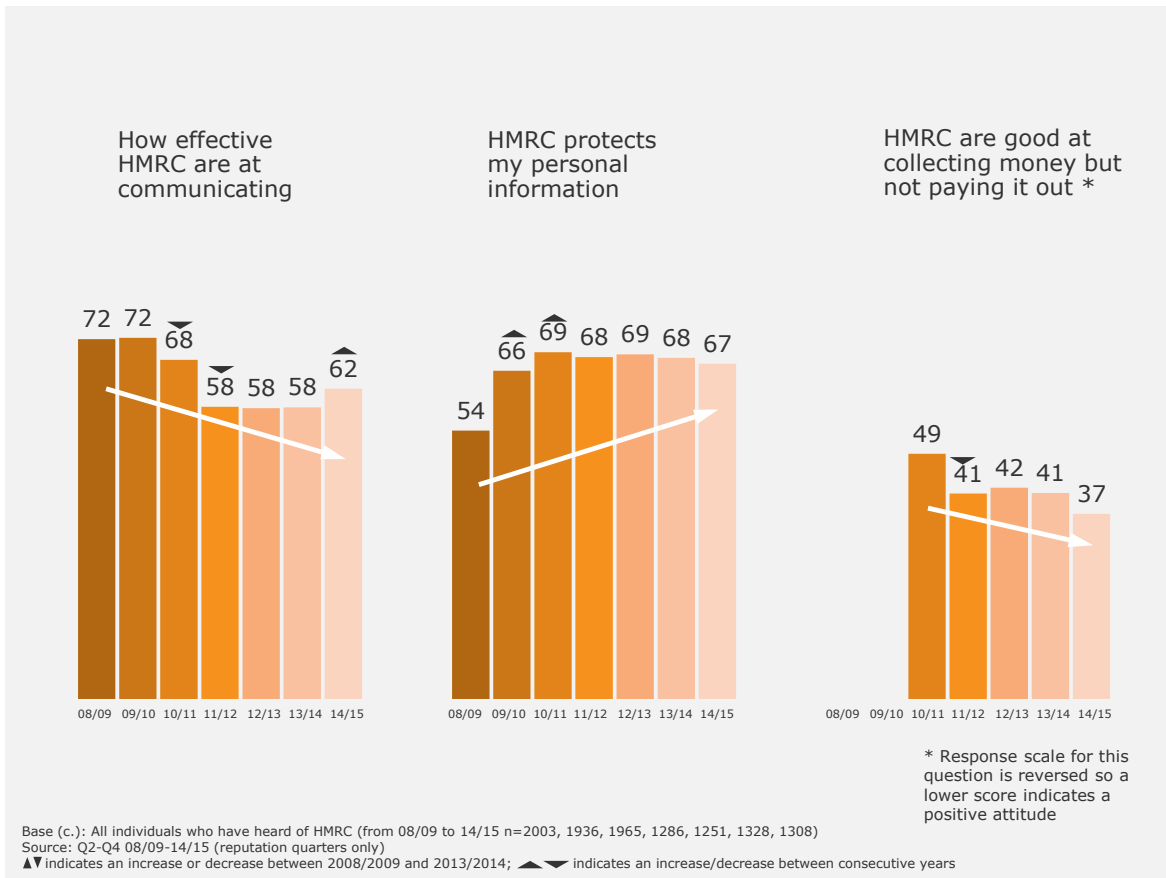
Self-employed Individuals were more likely to be positive about whether ‘HMRC carries out its duties properly and professionally’ (77%).

Individuals’ ratings for whether ‘HMRC can be relied on to act with honesty and integrity’ have decreased between 2010/11 (76%) and 2014/15 (72%).

4.5.7. 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 4.31). ‘Effective communication’ was identified as a secondary area of improvement in the Key Driver Analysis.

Chart 4.31 Measures of Communications and Stories (%)



Ratings for ‘Effectiveness of communication’ increased in 2014/15, from 58% in 2013/14 to 62%. However, this is below the score recorded in 2010/11 (68%). Both the longer term decrease, and shorter term increase are also seen across sub-groups. In 2014/15 customers that had dealt with HMRC in the past three months were more positive (66% compared to 61% without a recent deal), as were the self-employed (66%). In contrast those working full time were less positive (58%).

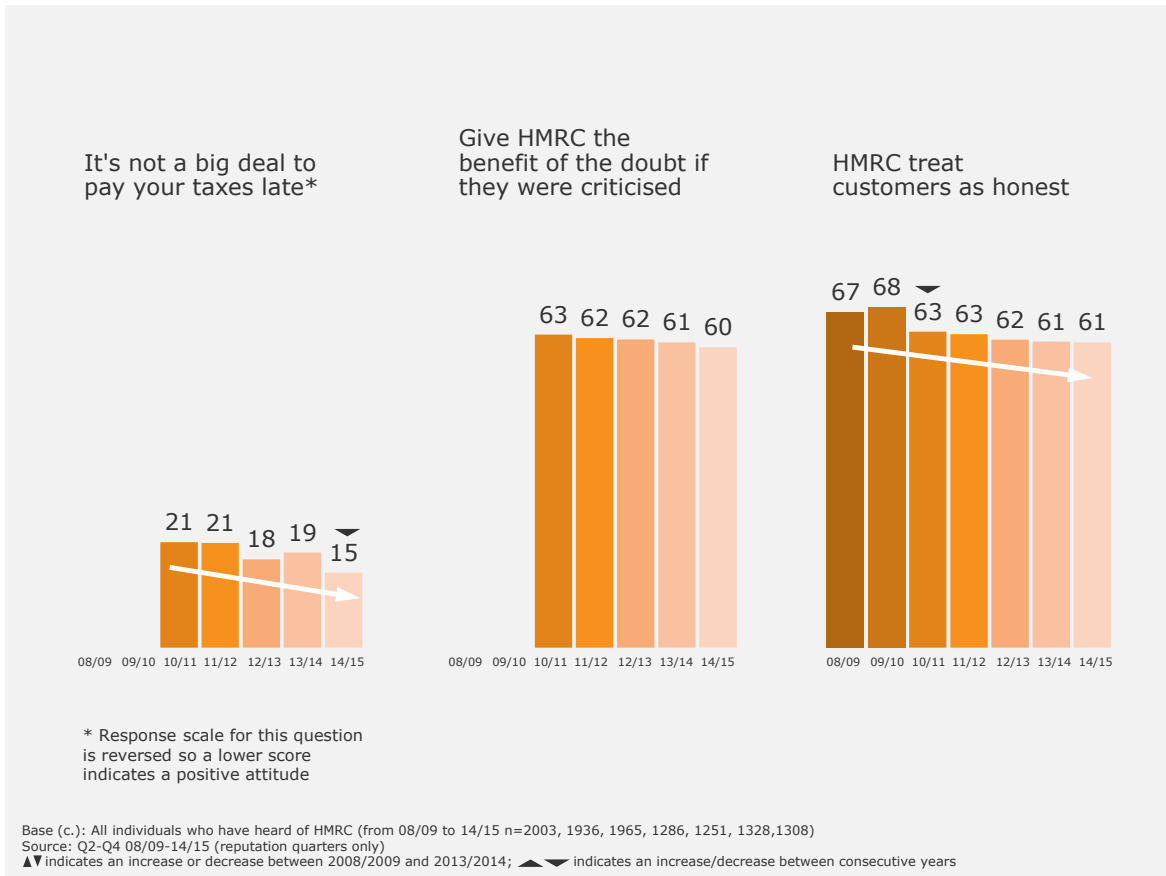
Perceptions that ‘HMRC protects personal information’ (67% in 2014/15) has remained stable since 2010/11.

How ‘Good HMRC are at collecting money but not at paying it out’ was a measure introduced in 2010/11. Ratings improved between 2010/11 and 2011/12 (49% down to 41%) but have remained relatively consistent since then. The 2014/15 score was 37%, the most positive score to date as a decrease is positive given the response scale for this question was reversed so a lower score indicates a more positive attitude.

4.5.8. 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 treats customers as honest'.

Chart 4.32 Measures of Support, Compliance and other (%)



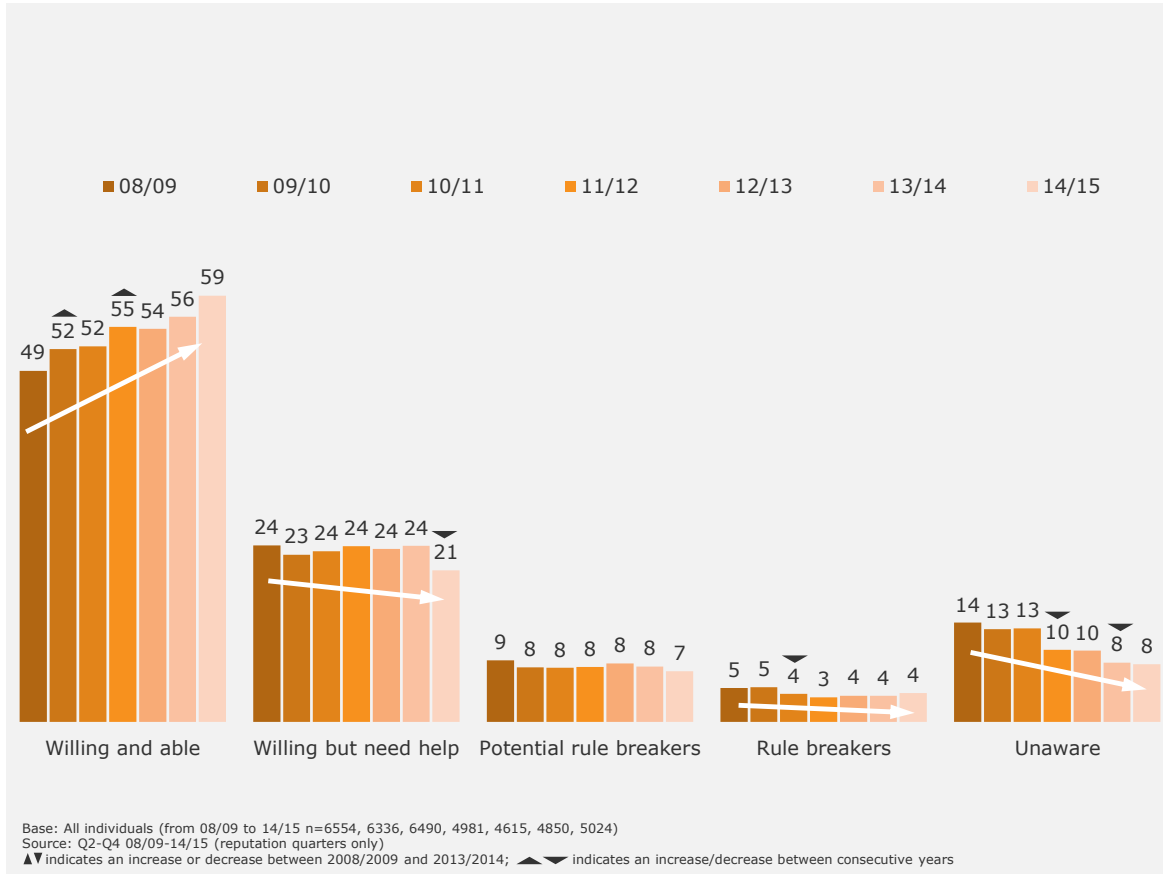
Ratings for 'It's not a big deal to pay your taxes late' declined between 2013/14 and 2014/5 (15% down from 19%) and over the longer term (down from 21%) in 2010/11. This represents a positive trend given that a lower score indicates a positive attitude. Ratings were generally lower across all sub-groups in 2014/15 but in particular amongst the self-employed (15% down from 22% in 2013/14), those with a disability (12% down from 23% in 2013/14) and females (13% down from 19% in 2013/14).

Ratings for the remaining reputation measures were higher. Six in ten (60%) said they would 'Give HMRC the benefit of the doubt if they were criticised', and a similar proportion felt 'HMRC treats customers as honest' (61%). Performance for the former is in line with that of 2010/11 when this measure was first introduced (63%). Perceptions that 'HMRC treats customers as honest' has remained consistent from 2010/11 onwards.

4.6. Segmentation

HMRC has developed an attitudinal segmentation of its Individual customers, based on four dimensions: ‘awareness of requirement to comply’, ‘motivation to comply’, ‘ability to comply’, and ‘opportunity not to comply’²². Individuals can be broken down by these segments, derived from a set of questions within the survey (Chart 4.33).

Chart 4.33 Individuals segment size over time (%)



In 2014/15 almost six in ten (59%) Individuals were in the ‘willing and able’ segment (59%). This represents an increase both in the short-term (up from 56% in 2013/14) and longer-term (up from 52% in 2010/11). One in five (21%) were ‘willing but needed help’, suggesting that the requirement for help decreased in 2014/15. Similar numbers were either ‘potential rule breakers’ (7%) or ‘unaware’ (8%) with the latter decreasing from 13% in 2010/11. ‘Rule breakers’ was again the smallest segment, with four per cent of Individuals comprising this segment in 2014/15.

²² For further information, see HMRC Research Report 92, <http://www.hmrc.gov.uk/research/individuals-prioritisation-publication.pdf>

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 customer groups: Computer Assisted Telephone Interviewing. This method offers advantages over a paper based approach in terms of data quality, and efficiency of fieldwork and data entry. The fieldwork is set up as a separate 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 report²³.

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.

SMEs 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 because 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, therefore HMRC's Self-Assessment database is used to supplement the IDBR samples.

In 2011/12 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 SMEs sampling frame. This sample enabled newer businesses that were not yet covered by Self-Assessment to be included in the sample.

For SMEs 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.

²³ HMRC Customer Survey 2011-15 Development Project, February 2011:
<http://www.hmrc.gov.uk/research/report153.pdf>

5.4. Survey structure and size

The survey reduced in size in 2010/11 and again in 2011/12. The following tables show the approximate number of interviews for each year.

Table 5.1 Approximate numbers of interviews

Module	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<i>Customer experience</i>							
Agents	7,100	7,200	5,900	3,000	2,300	2,300	2,300
SMEs	8,100	8,000	7,300	4,200	3,600	3,600	3,600
Personal Taxes	4,500	4,500	4,000	2,900	2,900	3,000	3,000
Benefits and Credits	3,000	2,900	2,500	2,300	3,100	2,800	3,000
<i>Reputation</i>							
Agents	2,700	1,800	1,800	2,300	2,300	2,300	2,300
SMEs	1,500	1,500	1,500	2,300	3,600	3,600	3,600
Individuals	2,100	2,000	2,100	2,800	2,600	2,600	2,600

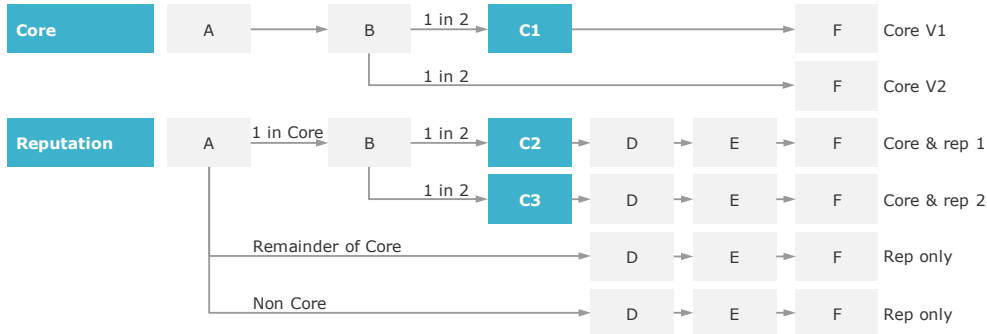
Every quarter all customers in the sample are contacted to identify those who have had any dealing with HMRC in the previous three months. These customers are then interviewed about their experience. This equates to around a third of Individuals, three in four businesses and almost all Agents.

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.

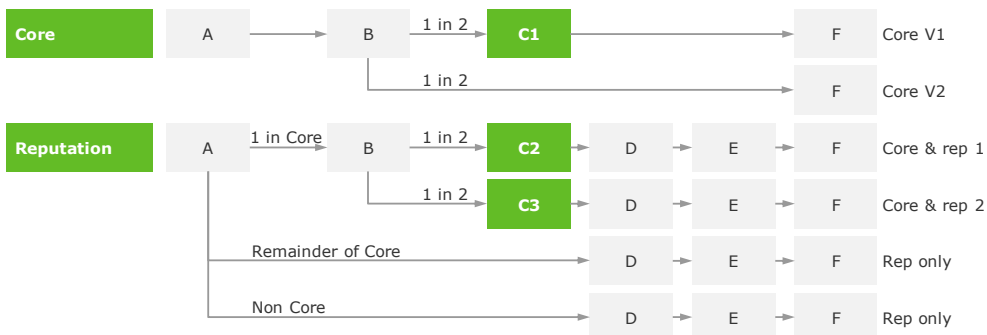
5.5. Questionnaire content and length

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).

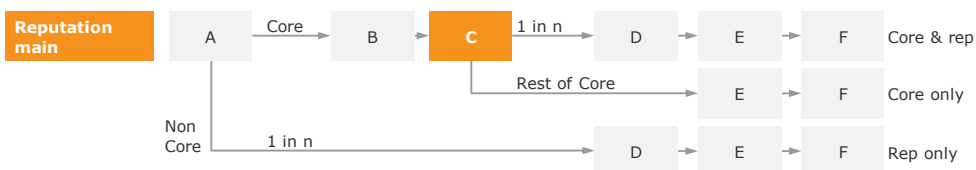
Agents



SMEs



Individuals



5.6. Response rates

Response rates are estimated at around 40%-45% for SMEs, 50%-55% for Agents, and around 20% 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% 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 SMEs 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 2011/12, the results were not directly comparable with the previous survey because the sample now includes groups that were not previously sampled e.g. newer and smaller SMEs 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 SMEs 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:

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

For example:

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.

