



HM Revenue  
& Customs

# ***HMRC Research report***

HMRC Report: 491

## **Public Perceptions of HMRC**

*Research conducted by Jigsaw among HMRC individual and business customers in 2017*

**Hazel Fletcher, Ann Morgan, Sarah McKee**

**June 2017**

---

**Drivers of Public Perceptions of HMRC**

**Disclaimer:** The views in this report are the authors' own and do not necessarily reflect those of HM Revenue & Customs.

© Crown Copyright 2018

Copyright in the typographical arrangement and design rests with the Crown. This publication may be reported free of charge in any format or medium provided that it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright with the title and source of the publication specified.

Published by HM Revenue and Customs, July, 2018

---

Drivers of Public Perceptions of HMRC

**Contents**

Background and research objectives	4
When the research took place	4
Who did the work (research agency)	4
Sampling and methodology	4
Main Findings	5
Perceptions of HMRC and how these are formed	5
Changes in perceptions of HMRC	6
How perceptions might be affected	6
Annex 1 – Recruitment and sample structure	8

## Drivers of Public Perceptions of HMRC

### ***Background and research objectives***

HM Revenue and Customs (HMRC) wanted to understand public perceptions of HMRC and commissioned Jigsaw to undertake an exploratory qualitative study to provide evidence on how perceptions of HMRC are formed. The findings will be used to support a range of HMRC corporate communications activity.

Specifically, the research explored people's perceptions of HMRC as an organisation which:

- Provides good customer service;
- Treats customers fairly; and,
- Ensures compliance with the rules and collects the tax due.

The objectives for the research were to:

- Understand existing perceptions of HMRC, in general and around customer service, treating people fairly and ensuring compliance with the rules;
- Understand how perceptions of HMRC are formed; and,
- Understand how perceptions of HMRC might be changed.

### ***When the research took place***

The fieldwork for this research took place between February and April 2017.

### ***Who did the work (research agency)***

The research was carried out by Jigsaw Research.

### ***Sampling and methodology***

Jigsaw conducted two phases of qualitative research on behalf of HMRC, consisting of an initial phase of 20 in-depth interviews and eight mini-group discussions, followed by a second phase of eight group discussions. Participants had a mix of experience of paying taxes through Pay As You Earn, completing a Self Assessment return, receiving tax credits and running a Small Business - see Annex 1 for further details. The research was carried out in four locations: London, Norwich, Bristol and Manchester.

The research was qualitative in nature and thus was intended to explore and understand the range of beliefs about and attitudes towards HMRC and the tax system; it was not intended to give any indication of the prevalence of these beliefs and attitudes across the population as a whole.

---

Drivers of Public Perceptions of HMRC

## ***Main Findings***

### ***Perceptions of HMRC and how these are formed***

Many individuals were relatively unengaged with the tax system and HMRC and were comfortable with this. They tended to have limited understanding of what HMRC does or how well it does it.

Amongst those with low engagement and minimal contact, HMRC was perceived as a somewhat faceless organisation that was viewed quite neutrally and was generally assumed to be doing a decent job, certainly trying to do its best. It was also assumed to be fairly straight and honest in the way it conducted its role. As an organisation, it was largely believed to be big and bureaucratic and was assumed to be somewhat stretched, with the potential to be more efficient. Finally, it was seen as a powerful body with potentially negative consequences for individuals who experienced an issue with it.

Some individuals (those with complex Pay as You Earn circumstances, in Self Assessment, or paying Corporation Tax) were more engaged as they had more frequent and/or complex interactions with HMRC. In some cases this had influenced their view of HMRC, either positively or negatively.

#### Treating customers fairly

Perceptions of HMRC's fairness were affected by a range of factors including negative press coverage, experiences reported by friends, family or colleagues, and personal experience. Examples of personal experiences were receiving an unexpected tax bill, positive or negative experiences of receiving tax credits, and positive or negative experiences of completing a Self-Assessment tax return.

#### Ensuring compliance with the rules

Generally, individuals had little understanding of how HMRC conducts its compliance role. There was little understanding of how non-compliant businesses or individuals are identified or pursued; views on HMRC effectiveness in this area tended to be based on headlines and guesswork. It was generally assumed that HMRC is doing a reasonable job, the best it can in challenging circumstances; the task of ensuring compliance with the rules was assumed to be huge and complex, especially if resources were limited, as participants assumed. The blame for non-compliance tended to be levelled at the non-compliant individual or business and 'the tax system', rather than at HMRC.

---

## Drivers of Public Perceptions of HMRC

### Customer Service

For those who had interacted directly with HMRC, customer service was key to shaping their opinions and cut through other things they heard, saw or felt. Expectations were generally quite low as it was assumed that HMRC's resources are likely to be limited.

The aspects of customer service most commonly mentioned were:

- The telephone service: direct experiences of and hearsay about slow telephone answering, and mixed experiences of the service received once people did get through meant that views were variable here, ranging from strongly negative to fairly positive.
- Online experience: individuals reported generally positive experiences of completing a Self Assessment return.
- Tax credits administration: people reported generally positive experiences of applying for and receiving tax credits without difficulty.

### *Changes in perceptions of HMRC*

Changing perceptions of HMRC are likely to be difficult, mainly because individuals generally did not want or need to engage with HMRC or 'the tax system' in more depth than they currently did. For these people perceptions of HMRC tended to be filtered through their beliefs around spending and social issues, and so may be quite hard to affect.

For more engaged audiences (those with complex Pay as You Earn circumstances, in Self Assessment, or paying Corporation Tax) perceptions were very strongly driven by their experiences of dealing with HMRC. It appeared that other communications – no matter how powerful – would struggle to override the impact of these experiences.

Individuals did not commonly seek out information about HMRC or the tax system. Messages which are generated by HMRC are likely to struggle to cut through amongst the plethora of information and communications that individuals and business owners experience on a day-to-day basis.

### *How perceptions might be affected*

The types of messages that appeared to have most potential to influence perceptions of HMRC were:

1. Messages that tap into personal and social motivations and work to remind people of the link between what HMRC does (collects taxes) and how those taxes are spent, i.e. on the national and local public services most people use.

---

**Drivers of Public Perceptions of HMRC**

2. Messages that communicate the effectiveness of HMRC - especially around compliance. These should inform people that HMRC has the necessary tools, resources and processes to tackle tax evasion, and that these are being deployed effectively to ensure the rules are being applied evenly to all individuals and businesses.

3. Messages that communicate that HMRC is on the side of compliant taxpayers, which would help reassure people they are being dealt with fairly and non-judgmentally. These would emphasise that HMRC assumes taxpayers are doing their best to comply with their obligations and helps them to do this by providing an improved and improving customer service.

It was clear from the research that communications that combine multiple messages were likely to be most effective – ideally drawing from all the themes outlined above.

---

Drivers of Public Perceptions of HMRC

### *Annex 1 – Recruitment and sample structure*

Sample was free found for the research using a specialist recruitment agency; a team of recruiters was used and was each allocated a number of depth interviews and group discussions to recruit. They were briefed on the profile of the people/businesses needed and found the people required for the research from within their local area, using a set of approved screening questions to ensure the people recruited met the specification.

For the first stage of the research:

The 20 depth interviews broke down as follows:

- 5 with individuals who were Pay As You Earn (PAYE) only taxpayers
- 5 with individuals who were in PAYE and also in Self Assessment (SA)
- 5 with individuals claiming tax credits
- 5 with Businesses (3 with people in self-employment who paid their business tax through SA, 2 with owners or managers of small enterprises paying Corporation Tax)

The eight mini-group discussions were structured as follows:

- 2 groups with individuals who were PAYE only taxpayers
- 2 groups with individuals who were in PAYE and also in SA
- 2 groups with individuals claiming tax credits
- 2 groups with Businesses (one with people in self-employment who paid their business tax through SA, one which comprised owner-managers of small enterprises paying Corporation Tax)

For the second stage of the research:

The eight group discussions were structured as follows:

- 2 groups with individuals who were PAYE only taxpayers
- 2 groups with individuals who were in PAYE and also in SA
- 2 groups with individuals claiming tax credits
- 2 groups with Businesses (one with people in self-employment who paid their business tax through SA, one which comprised owner-managers of small enterprises paying Corporation Tax)

Across the sample as a whole, there was:

- A mix of those who felt favourably, neutrally and unfavourably towards HMRC
- A mix of those who had had contact with HMRC over the last 12 months and those who had not
- A range of individuals based on age, socio-economic group and gender (in the non-business depths and groups)



---

**Drivers of Public Perceptions of HMRC**

- A mix of industry sectors (in the business depths and groups)