



HM Revenue  
& Customs

**Research report**

# **Building reassurance into HMRC digital channels**

To understand customers' views on digital  
channels

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

*This report was one of a number of research papers commissioned by HMRC in 2016-17 to support the development of its Personal Tax Account. HMRC reprioritised its portfolio of transformation projects in 2018 to ensure that it delivers key government priorities. However Personal Tax Account work is still continuing, focussing on driving digital take-up and iterative improvements to the existing offer. Additional services will only be added where they reduce phone and post contact and improve customer experience. This research continues to be used to inform that work.*

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# 1. Introduction

This report contains findings from qualitative research conducted with HM Revenue & Customs (HMRC) customers, including Pay As You Earn (PAYE), Tax Credits (TC) and Self-Assessment (SA) customers, most of whom had used HMRC digital services and then called the helpline for reassurance. The research was undertaken by the Employment, Welfare and Skills (EWS) team within Ipsos MORI's Social Research Institute on behalf of HMRC between July 2017 and January 2018.

## 1.1 Background

The government is committed to reducing burdens for taxpayers and HMRC's vision is to build a transparent and accessible tax system that is fit for the digital age. As part of 'Making Tax Digital' (MTD)<sup>1</sup>, HMRC are transforming the tax system by introducing simple, secure and personalised digital tax accounts, making the tax system more effective, efficient and easier for taxpayers.

Personal Tax Accounts (PTAs) enable individual customers to view their tax affairs in one place, check their details are correct and update their tax, tax credits and Child Benefit information. As part of its Digital Strategy to encourage customers to use its digital services, HMRC is developing and improving its digital offer through a series of support channels for customers. These channels include the website (GOV.UK), webchat, webinars, e-learning and social media with the aim of increasing the proportion of customers who self-serve and to reduce telephone contact.

## 1.2 Research Aims

The purpose of this research was to understand the customer need for reassurance, certainty and trust within HMRC digital channels and specifically within the PTA. The aim was to identify what drives customers to seek reassurance through traditional channels, such as telephone helplines, and to explore how these specific reassurance needs can be addressed by HMRC to encourage confident use of digital services.

The research sought to answer the following objectives:

1. To understand how customers view their responsibilities for their tax affairs.
2. Understand the customer need for reassurance, certainty and trust when meeting tax obligations.
3. Explore customer awareness and understanding of HMRC digital services.
4. Identify barriers to using PTA and what support is needed to address these.
5. Design levers and ideas to influence reassurance and trust.
6. Test and optimise existing concepts that HMRC is using or considering.

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<sup>1</sup> <https://www.gov.uk/government/publications/making-tax-digital/overview-of-making-tax-digital>

### 1.3 Methodology

An initial evidence review was undertaken before fieldwork commenced. During this scoping stage, existing data and evidence was reviewed on customer channel behaviours and attitudes. This provided insight into barriers to use of digital services, reasons for seeking reassurance and potential solutions. The learnings from this desk research fed into the design of the fieldwork materials.

#### Fieldwork

Overall, Ipsos MORI conducted 40 interviews and six discussion groups with HMRC customers. Of the 40 interviews, 36 were conducted by telephone and four were conducted face-to-face. Interviews took place between the 10<sup>th</sup> and 30<sup>th</sup> of August 2017. Each interview lasted for up to 45 minutes and was conducted at a time that suited the participant.

Six focus groups were conducted with HMRC customers on the 18<sup>th</sup> and 19<sup>th</sup> of October 2017. Each group was moderated by a member of the Ipsos MORI research team and lasted for 90 minutes. Four groups were conducted in Newcastle and a further two in London.

When conducting the interviews and discussion groups, a semi-structured discussion guide was used to ensure all relevant topics and key issues were explored consistently, while also enabling the interviewer to delve deeper into any issues of particular importance for the participant(s).

As is common practice in qualitative research a cash incentive was offered to encourage participation and as a gesture of appreciation for their time and contribution to the research; £30 cash incentive was given for an interview and £45 for attending a group.

The data was then fully analysed using a robust inductive approach, as part of which the data was synthesised thematically and interrogated for patterns and relationships.

#### Sample and recruitment

The sample for the interviews and groups were generated in different ways:

- The interviews were recruited from HMRC provided sample of customers who had recently made a call to a helpline after using an HMRC digital service.
- The discussion groups were recruited separately using free-find methods.

Recruitment was conducted by Ipsos MORI specialist recruiters. The customers selected for interview were recruited from the sample provided by HMRC, which included customers who had used their PTA and had then made a reassurance seeking call to an HMRC helpline within the following hours, days or weeks. Customers who took part in the interviews were contacted by telephone in order to explain the research and conduct a short recruitment questionnaire before arranging an interview. The discussion groups were recruited free find

by Ipsos MORI recruiters. Recruitment questionnaires were used to ensure that all sampling criteria were met.

A small number of quotas were put in place to ensure that we spoke to a range of HMRC customers. Both the interviews and groups included a mix of Tax Credits, PAYE and Self-Assessment customers.

### **Interpretation of qualitative data**

Qualitative research is illustrative, detailed and exploratory. It seeks to understand not only what people think and do but why this is the case. The volume and richness of the data generated allows for a detailed picture to be developed of the range and diversity of views, feelings and behaviours and this can be used to develop new concepts and theories. The findings in this report are intended to provide insight into the views of different HMRC customers but the purposive nature with which the sample was drawn and small number of interviews conducted means that they cannot be considered representative of these audiences as a whole.

## 2. Findings

In this section of the report we outline our main findings from this research.

### 2.1 Expectations and experiences of digital services

Customer uses and expectations of digital services differed slightly depending on the tax group, their previous experiences with HMRC and how confident they felt about getting their tax right.

#### Uses of digital services

Tax Credits customers tended to use digital services more frequently than the other tax groups as they needed to submit their tax credits renewal, check their payments or report a change of circumstances. These customers were driven by fear of missing out on payments or erroneous information causing overpayments. They therefore wanted digital services to give them control to make sure that their change of circumstances or tax credits renewal was completed on time and was correct.

*“When you transition from offline to online you want to have your hand held.”*

*(Tax Credits customer, male)*

Self-Assessment customers mainly used digital services to submit their Self-Assessment form and these customers tended to be more knowledgeable than others about their tax obligations and they needed HMRC to help them get their tax right, especially their Self-Assessment form, and support them in doing so.

PAYE customers often used digital services to find out specific information such as their tax code or to ensure they had paid the correct amount of tax. They typically had less contact with HMRC than other groups and did not regularly engage with HMRC.

Generally, older customers approached the PTA no differently to other customers; they appreciated the aims of the PTA and were familiar with HMRC’s move to online systems over the past few years. Therefore, differing views on digital services were more closely related to digital capability rather than due to the age of the customer.

*“Computer wise, I’m not that confident but it was really quite easy, much better than waiting on the phone.”*

*(PAYE customer, male, 60’s retired for 10 years)*

#### Reasons for using digital services

There were two main points of appeal of using HMRC’s digital services: convenience and control. Customers were generally quite positive about using digital services to fulfil their tax requirements and there was a high likelihood of repeat use, regardless of any issues they may have experienced whilst using digital services. Ultimately, customers wanted to be able



to resolve their issues themselves online rather than by calling the helpline and they wanted to feel empowered and supported by HMRC in order to do so.

*“I prefer to just do it online I can’t bear phoning people, I hate [it], you’re always on hold and press this number, I’d rather do it online and I think if there’s a problem they’ll get in touch with us and they’ll tell us.”*  
(Self-Assessment customer, female)

### **Experiences of digital services**

Most customers did not log in to their account very frequently, which caused some issues with customers forgetting passwords and needing to request a new one. This then led to a delay and meant customers were more stressed when they logged in and had less patience for dealing with any issues themselves. However, customers did like how secure the site was and understood why the high level of security was needed.

*“So, you put your password in, you login with a number or whatever it is and then they’ll text you a code and you’ve got to put that code in so I mean it’s as safe as it could be really. I don’t know how they could make it any safer really.”*  
(Self-Assessment customer, female)

Overall, customers felt that HMRC’s digital services worked well and were improving over time, especially in recent years.

*“It was very easy, I found it very simple...I had no problems at all, found it all very simple, straightforward, fast, and when I logged in they told me about payments.”*  
(Tax Credits customer, female)

### **Views on other HMRC channels**

There were positives and negatives noted for each HMRC channel and the usefulness of each depended on the situation. Customers were reluctant to engage with HMRC via post as it was seen as too slow but it could be useful for sending important information. Customers were also wary of potential scams when contacting HMRC via email. Webchats were viewed positively and were a useful channel for providing reassurance.

*“I love live chat...I don’t like phoning people, I prefer to do it all online.”*  
(Self-Assessment customer, female)

Texts were seen as useful for sending reminders and confirmations and while social media was seen as potentially useful for providing general information, customers tended to say they would not use them and would avoid engaging with HMRC on a personal level.

*“I would see updates if you’re following [HMRC on Facebook] but I wouldn’t go on the page and start searching for things.”*

*(Self-Assessment customer, female)*

Customers cited various reasons for not wanting to use the helpline. These included:

- **Long waiting times** - customers did not like having to wait for a long time on hold to speak to an adviser and felt calls could become expensive in these instances.
- **Opening times** - customers did not like that the helplines were not available 24/7 or outside of office hours as this made it difficult for those with full time jobs to find time to call.
- **Helpfulness of adviser** – there was a perception that the advisers vary widely in terms of knowledge and attitude and customers felt that advice could be inconsistent or contradictory.
- **Lack of physical record** – customers disliked that there was no tangible record of the call meaning that they often could not recall information or advice they had been given previously and they also had to repeat information to different advisers.
- **Need to know what to ask for** – customers felt that they could only resolve specific queries using the helpline and they needed to know what the issue was; they could not see everything in one place unlike on the PTA.

## 2.2 Reassurance needs when using digital services

### Triggers for calling the helpline for different customer groups

Reassurance needs related both to customer mind-set and motivations for using digital services as well as specific issues they encountered while using digital services. Reassurance needs varied by different customer groups and due to the customers’ individual needs.

Tax Credits customers’ main concern was getting it right and on time, due to the fear of missing out on payments or incorrect information leading to overpayments. They often became concerned with progress after submitting their tax credits renewal claim online and were likely to call to progress chase.

*“I’m not going to take the risk of someone saying it’s fine and then getting the dreaded brown letter in the post.”*

*(Tax Credits customer, male)*

Self-Assessment customers demonstrated high awareness of their tax obligations but felt frustrated by the PTA when they had made an error because it did not include guidance on how to resolve this themselves. They were also confused by terms they did not understand or

questions on the Self-Assessment form that did not seem relevant to their type of employment.

*“The website needs to assume you know nothing about finance/tax and needs to be clearer about what goes in each box.”*

*(Self-Assessment customer, female)*

PAYE customers tended to interact with HMRC the least frequently of any of the three groups and looked to digital services for information on their tax affairs such as their tax calculation and tax code. They tended to only refer to the online service where they had noticed a change on their payslip, for example, a change in tax code.

### **Sources of reassurance**

Customers went to various sources to fulfil these reassurance needs. However, when seeking reassurance customers preferred channels which could provide personalised, individual support from a person who could answer their specific query and reassure them that the information they provided was correct and complete.

Despite wanting to self-serve, customers who called the helpline for reassurance were quite positive about it. This was the predominant channel by which customers sought reassurance from HMRC, with the main reasons customers cited for wanting to use the helpline included:

- **Personalised transactions** – customers were only given information that was relevant to their specific query and personal circumstances.
- **Reassurance that they were providing all necessary information and that it was correct** – customers liked that an adviser could reassure them and provide confirmation that they have provided the correct information and they are not missing any important information.
- **Onus on adviser to confirm transaction** – customers wanted to delegate the responsibility to an adviser to confirm that a transaction was complete and correct rather than being responsible themselves.

*“Just like to speak to a human. Especially when you get online and it keeps leading you around in circles.”*

*(Self-Assessment customer, female)*

Customers were generally positive about using webchats for reassurance purposes as it was seen to provide personalised support; similar to the reassurance they would receive from an adviser on the helpline.

*“Really helpful because you feel like you are talking to a human.”*

*(PAYE customer, female)*

Customers were also familiar with using webchats for other websites which they found helpful but further raised their expectations from HMRC. Examples cited included eBay, PayPal, Amazon, online banking and utility companies.

Customers also occasionally visited the GOV.UK website to help find the answer to a specific query but often cited navigational issues so they struggled to find the precise information they wanted. They would prefer for guidance to be provided within the PTA rather than having to go to an external site.

## 2.3 Building reassurance into digital services

### Reassurance needs for each customer group

Different customer groups can be reassured in different ways but some tools such as support mechanisms, personalisation and confirmations would be helpful to all customers. Each group could also be reassured in the following ways:

- Tax Credits customers would appreciate online support such as webchats or embedded videos and webinars. They were also the most likely customer group to call the helpline to progress chase so sending customers regular updates via SMS or email to allow customers to track the progress of their transaction could help to reduce these calls to the helpline.
- Self-Assessment customers valued personalisation of the PTA and the self-assessment form so they would only have to fill out relevant information. They wanted support to be provided within the account so that if they encountered a problem or error when using the system, they would be told what the issue was and how to resolve it. They would also like online support and confirmations.
- For PAYE customers, they wanted any changes to their tax affairs explained to them in advance and also wanted to see their tax and tax code history.

### Ways of providing reassurance

There were two main forms of reassurance that customers wanted from HMRC that would reduce the number of calls to the helpline: to receive support from HMRC in getting their tax right and to receive regular confirmations and updates from HMRC on the status of their transactions.

There were various solutions suggested by customers to build reassurance needs into the digital channels, which included:

- **Personalisation** – customers wanted digital services to be more tailored to their personal circumstances and did not want to fill in information that did not seem relevant to them.

- **Information** – providing information in the form of a glossary, FAQs or information packs could help customers who do not understand terminology or how to calculate certain figures.
- **Step by step guidance** – step by step guides in the form of online tutorials or worked examples could help customers who hit dead ends in the system and are unsure of what to do next.

*“Something that helps you move on, instead of a dead end where you have to work backwards and figure out what you have done wrong.”*  
(Self-Assessment customer, male).

- **Online support** – customers were keen to receive support and guidance from online sources including webinars and embedded videos.
- **Confirmations** – customers wanted a confirmation via email or SMS immediately after their transaction had been successfully submitted online.

*“[I would like] some sort of feedback, an email or a text message, it doesn’t have to go into details.”*  
(Tax Credits customer, male)

- **Track progress of a transaction** – customers wanted to know about the status of their transaction via periodic updates via email or SMS.
- **Transaction history** – customers wanted all of their tax information and history stored in one place in the PTA.
- **Upload documents** – Customers wanted to be able to upload important information onto the online system and wanted the option to go paperless.
- **App** – customers thought an app would be useful for notifications, reminders and updates.