



Tax credits compliance interventions: customer experiences of High Risk Renewals (HRR) 2017

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Glossary

CTC	Child Tax Credits
DWP	Department of Work and Pensions
HMRC	HM Revenue & Customs
HRR	High Risk Renewals
TC	Tax Credits
WTC	Working Tax Credits

1. Executive Summary

1.1 Background

In 2016, the High Risk Renewals (HRR) process within HM Revenue & Customs (HMRC) experienced a number of customer service failures, drawing criticism from tax credits customers, the media and parliament. The Work and Pensions Select Committee made a number of recommendations about the HRR process as a result of its inquiry into these customer service failures.

In response to parliamentary recommendations, HMRC made a number of changes to the delivery of the HRR process for HRR 2017. In 15/16 the HRR process had two main touchpoints: a Day One Opening Letter and a Day 30 Close Letter. In 2017, HMRC introduced several additional touchpoints including: multiple opportunities for outbound telephone calls from HMRC (at days 0, 10 and 28), SMS reminders and additional training and flexibility for frontline staff in how they engage with customers. These were ultimately designed to: make the HRR process more customer-centric, improve customer understanding, and encourage earlier engagement with HMRC.

HMRC commissioned this research to gain an understanding of the impact of these changes on customers and to determine whether or not customers' experiences of HRR had improved in 2017, in comparison with previous years.

Kantar Public interviewed 45 tax credits customers who had been through HRR 2017. Of these 45 customers, 30 had experienced HRR in previous years. In semi-structured interviews, Kantar Public discussed customers' views on HMRC, their views on tax credits, their experiences during HRR in 2017 and, where applicable, how these experiences compared with those they had had in the past.

1.1 Findings

Most customers tended to view HRR as a simple transaction. The HRR process did not stand out in participants' memories at the time of interview, suggesting the process did not illicit a strong emotional reaction in customers. This appears to be due to customers' quick initial engagement with the HRR process, the tone and content of HMRC's communications, and the support offered by HMRC's staff. However, some customers had more complex or protracted experiences - tending to take longer to gather and send HMRC the requested evidence, or finding it more challenging to obtain the evidence that HMRC was requesting. These customers tended to have more emotive recall of the process, though not necessarily negative. Negative experiences were rarely linked to the HRR 2017 process itself.

This research suggests that customers' experience of HRR was shaped by their personal circumstances, including the following factors:

- The complexity and predictability of their life-circumstances (relevant to their tax credits claim);
- The extent to which customers' personal records were organised;
- Whether a potential issue with their tax credits was anticipated or not;
- Whether customers had any personal capability issues (English Language ability or cognitive barriers); and
- Whether or not a customer was emotionally vulnerable.

Customers who had simple experiences during HRR tended to have uncomplicated, structured and predictable lives. They were likely to have already anticipated a potential issue with their tax credits claim, and had no ongoing issues with HMRC. When customers received HMRC's initial communication about HRR, they understood that HMRC needed more information about their tax credits claim, what they needed to provide, and how to provide it. Their personal circumstances also meant they generally had more organised records and had this information to hand, or found it relatively simple to obtain. Many of these customers did not overtly experience the 'new' elements of the HRR process because they had acted swiftly, negating the need for further contact.

In contrast, customers who had complex and protracted experiences of HRR tended to have complicated, unpredictable or unstable life circumstances (often relating to their tax credits claim). This sometimes made it difficult for them to obtain the information HMRC had requested or to immediately understand what information HMRC needed. In addition, some customers were emotionally vulnerable or had personal capability issues which made it difficult for them to understand what HMRC requested. This group of customers required additional support from HMRC in order to engage with the HRR process and were also more likely to experience the 'new' elements of the HRR process introduced for 2017.

The changes HMRC made to the HRR process appear to have helped towards (a) sustaining customer engagement with the HRR process and (b) avoiding negative experiences. HMRC's 'Call Me' letter and Day One Opening letters were described as clear, and led customers to take action (calling HMRC or gathering evidence). The tone and content of letters did not make customers feel judged or targeted by HMRC. However, the letters were not perceived to be significantly different to previous years. Where SMS reminders were recalled, some recalled these as helpful whilst others found them to be unnecessary. The improvement that had most positive impact compared with prior experiences for customers was the change in staff tone and approach on the phone. Customers reported front-line staff provided both emotional and practical support to help resolve the HRR process, particularly where they had complex circumstances or cases.

The new HMRC communication methods (SMS, Voicemail, Day 0 calls) introduced for 2017 appear to support customers to engage with the HRR process when they are seen as authentic and recognised as part of the HRR process. In such situations, these new communication methods were effective at prompting action (i.e. Day 0 calls triggered customers to begin gathering evidence, and the reminder SMS reminded customers to submit evidence). However, some customers reported that they questioned the authenticity of these communication points when these new communication methods were used as the initial contact for HRR. Some customers reported this would lead them to ignore the initial communication. In these instances, the use of a follow-up letter helped to confirm the authenticity of the preceding contact and supported their engagement.

Finally, the ways in which customers could submit evidence to HMRC appears to have improved engagement with the HRR process. Although most customers submitted evidence by post, some were able to resolve their HRR query over the phone or online through their Personal Tax Account (PTA). Avoiding the need to go to the post office and incurring postage costs was valuable for many customers, particularly those with mobility issues. Although customers' awareness of the PTA was low, the appeal of submitting information online was high.

In light of the above, customers felt their HRR 2017 experiences compared favourably with their previous experiences of HRR, although customers were not always comparing like-with-like.¹

¹ Customers who had previous experience of HRR had not always been through HRR for the same risk. As a result, some customers had queries where it was easy to supply the requested information and had simple experiences in HRR 2017, but in previous years had encountered difficulties due to more complex queries. Conversely, some customers had complex experiences of HRR in 2017 and complex experiences in previous years.

1.2 Implications

This research suggests that HRR 2017 is broadly meeting customers' needs and represents an improvement on previous iterations of HRR. The increased flexibility and training HMRC has provided to frontline staff has positively impacted customers. The research also reveals a number of opportunities to improve customers' experiences further.

One of the great successes of HRR 2017 has been how HMRC frontline staff interacted with customers over the phone. Customers generally felt well supported and respected once they were able to speak with HMRC frontline staff. They understood what was happening and were clear about the decisions that were being made.

Customers described further improvements that could be made to the experience of engaging with HMRC over the phone. Customers routinely called the general tax credits helpline, rather than the direct number included in their Opening Letter. Many customers complained about waiting times and the difficulty in finding and getting through to the relevant person while on the phone. This meant some had to make multiple calls to HMRC or incurred large phone bills. Some customers who had received outbound calls from HMRC also did not want to receive unscheduled calls from HMRC when they were not free to speak or would have to explain a call to others, for example while at work. A few customers suggested that having a call back function (e.g. with a direct line) would resolve these issues.

A few customers also described situations where they had called HMRC to update their circumstances or as part of HRR, and that HMRC had not recorded these details. Customers felt that as a consequence of this they had been included in HRR unnecessarily, or had not been able to close their HRR case quickly. A customer suggested that the official could stay on the call with the customer until changes had been logged.

Customers that had more a complex and protracted experienced generally benefitted from the additional support the new elements of HRR offered. However, some customers reported not knowing what HMRC's query was about or what evidence they need to provide when they were initially contacted.

2. Research Design

2.1 Research background and context

Tax credits are designed to provide flexible financial support to families as and when they need it, based on their particular circumstances. Entitlement to tax credits changes as circumstances change, meaning tax credits are responsive and provide financial support to those that most need it. Tax credits consist of Working Tax Credit (WTC) and Child Tax Credit (CTC).

HMRC introduced the High Risk Renewals (HRR) compliance intervention in 2010 to drive down error and fraud in tax credits claims. The HRR process aims to achieve this by checking that the information customers submit is accurate. Where necessary, HMRC requests additional evidence from customers, which can be supplied over the phone, by post or through digital channels.

HMRC focusses HRR on five risk groups (identified by HMRC). These risk groups are; undeclared partners, work and hours, childcare costs, child eligibility and disability. Customers can have more than one risk identified.²

Since its introduction in 2010, HMRC has made a number of changes to the HRR process (described in Chapter 3). Although the timing and length of HRR has remained broadly the same, how and by whom HRR is administered has changed.

2.2 Research objectives

HMRC commissioned this research to understand the impact, on customers, of the changes made to the HRR process in 2017. HMRC also wanted to gain a comparative understanding of how customers' experiences of HRR 2017 compared to previous experiences of HRR.

The specific aims of this research were:

1. To evaluate the experience of HRR 2017 compared to earlier experiences of HRR, including:
 - Customer comprehension of the HRR process and reasons for amendments
 - Whether customers noticed any changes between HRR17 and previous years
 - Whether customers felt they were treated fairly
 - The impact of the process on customers' lives, including personal and financial
2. To understand how customers felt about their interactions with HMRC
 - Response to (and use of) the telephone calls made by HMRC
 - Reactions to the initial letter sent, including clarity/understanding, perceptions of tone, emotional impact, etc.
 - Experiences of interacting with HMRC staff
 - Experiences of the process for submitting evidence
3. To identify areas where HRR could be further improved
 - Improving support provided to customers at the different stages in the process
 - Ways to improve understanding of the process

² In this report, customers with more than one risk are referred to as 'multi-risk' customers.

- The drivers of and barriers to engagement with the process and with communications about HRR17

2.3 Methodology

A total of 45 90-minute qualitative depth interviews were conducted with tax credits customers who had experienced HRR in 2017 across a spread of risk types (see 2.4 Sample). To build a comparative understanding of HRR experiences, the majority of these customers (30) had experienced HRR in previous years. Interviews took place between September and October 2017.

The interviews focused on how customers viewed HMRC and HMRC communications, their experiences of HRR during 2017 and how this most recent experience compared with previous years' experiences. A combination of journey mapping and cognitive interviewing techniques were used to build a picture of customers' experiences. In many cases, customers were recalling events that had taken place up to six months ago.

To inform the design of research materials, Kantar Public also conducted a brief literature review and depth interviews with HMRC staff, including frontline compliance staff.

2.4 Sample

The agreed sample frame allowed a range of tax credits customers to be included in the research to ensure the research would reflect the diverse range of tax credits customers. A full sample breakdown is available in Appendix A. A breakdown of the key sample criteria is below:

Risk categories	Achieved
Child eligibility	11
Childcare costs	5
Disability	4
Multiple risks	5
Undeclared partner (inc UP Plus)	16
Work & hours	4

3. HRR 2017: process and customer experience

This section outlines the HRR process and how it changed in 2017, customers' experiences of the new process, factors that influenced customers' experiences and how customers' experiences in 2017 compared with experiences in previous years. Section 3.1 draws on insights gained through the initial literature review and stakeholder interviews. Subsequent sections are based on insights gained through depth interviews with customers.

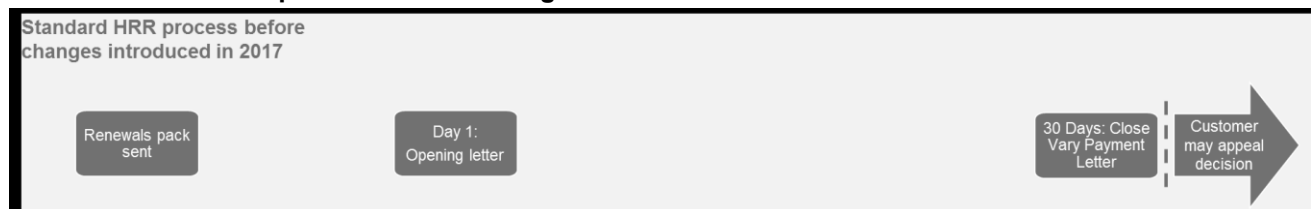
3.1 The design and delivery of HRR

HMRC identifies customers for the HRR exercise where there is an indication that their tax credits award might be incorrect. Incorrect claims may result in a customer receiving more money than they are entitled to and may be due to either error or fraud.

Following parliamentary and public criticism of the HRR process in 2016, HMRC made a number of changes to the HRR process for cases opened in 2017.³ HMRC hoped the changes would balance the on-going need to check the accuracy of claims with delivering an acceptable level of customer service.

The standard HRR process before 2017 and the updated HRR process used in 2017 onwards are described below:

3.1.1 Standard HRR process before changes introduced in 2017



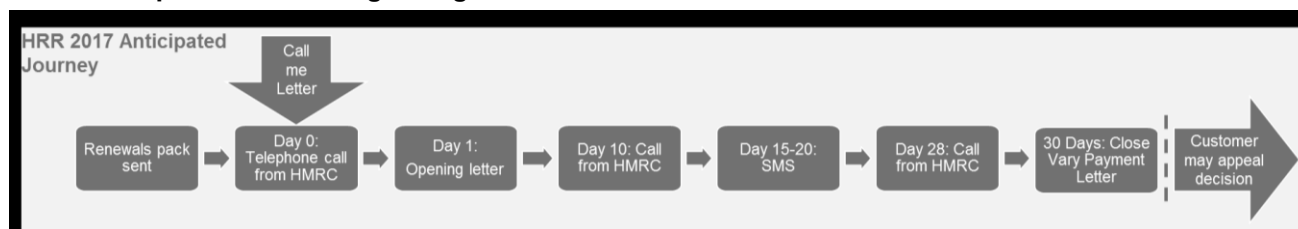
Before 2017, HMRC proactively contacted customers as part of HRR at two points in time. The first of these touchpoints was the Day One Opening Letter. This was a letter informing the customer that they needed to provide additional information to support their tax credits award.⁴

The second of these touchpoints was the Day 30 Close Letter. This letter informed the customer of HMRC's decision about their ongoing tax credits entitlement.

³ HMRC, Jon Thompson, 'Letter to the Rt Hon Frank Field MP Chair of the Work and Pensions Select Committee', (27 March 2017) <http://www.parliament.uk/documents/commons-committees/work-and-pensions/17.%20Letter%20from%20Jon%20Thompson%20re%20tax%20credits%2027.03.17.pdf>

⁴ HMRC (2013), 'Tax Credits Customers' Experiences of and Responses to the High Risk Renewal intervention', https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/344776/report257.pdf

3.1.2 HRR process following changes made in 2017



HMRC increased the number and methods of contact with customers, creating up to seven potential contact points throughout the process.

In addition to the opening and closing letters, the new HRR process involved the following key communications:

- **Call Me Letter:** Before the start of the HRR process, some customers were sent a 'call me' letter requesting that the customer call the number provided. If there was no response, an opening letter was sent after 14 days.
- **Day 0 Call from HMRC:** HMRC made calls to coincide with the Day One Opening Letter. HMRC staff would inform the customer that HMRC needed further information about their claim. Some customers were able to resolve their HRR query on the call. HMRC staff were able to make up to three attempts to reach customers at this point. If HMRC was unable to reach the customer, call centre staff could leave a voicemail message. In previous years, staff were not able to do this.
- **Day 10 Call from HMRC:** After 10 days, if HMRC had not received evidence from the customer, HMRC would call customers to check that they understood the Day One Opening Letter.
- **Day 15-20 SMS from HMRC:** Between days 15 and 20, HMRC would text customers to prompt them to respond to the Day One Opening Letter.
- **Day 28 call from HMRC:** Customers received a call from HMRC to remind them to take action.

Secondly, HMRC gave frontline teams greater flexibility in how to handle cases. Frontline teams were able to offer flexibility over deadlines for submitting evidence or contacting HMRC and rapidly restore payments following evidence provision. Frontline teams were also able to leave voicemail messages, and receive evidence by email and customers' Personal Tax Accounts (PTA).

Finally, in addition to the above, HMRC made changes to the wording of the 'Day One Opening Letter'. The aim of these changes were to help customers understand what HMRC needed of them and why.

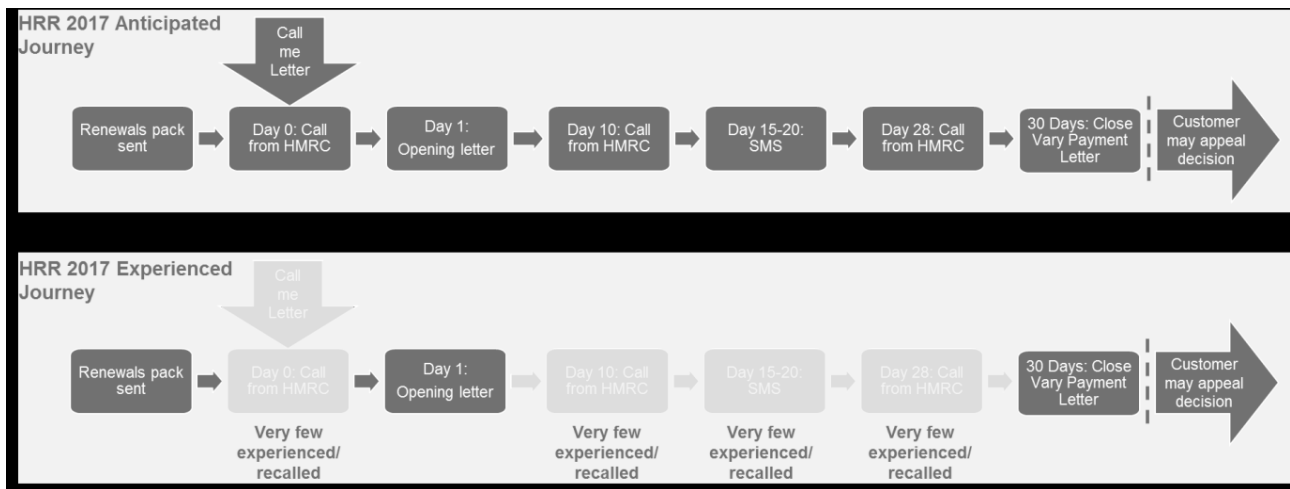
3.2 Customers' overall perception of their 2017 HRR experience

When reflecting on their experiences as a whole, the majority of customers felt their experiences of HRR 2017 had been unmemorable and either emotionally positive or neutral. When interviews took place (in most instances up to six months after customers' experiences of HRR 2017), most participants struggled to recall HRR at all or in any detail. It was only after extensive probing by researchers that participants recalled having been required to supply additional information to HMRC.

The clarity of HMRC's letters and the quality of HMRC's frontline staff seems to have enabled participants to engage with the HRR process quickly. In many instances, participants received their HRR Day One Opening Letter and provided HMRC with the requested information within the next few days, having called HMRC to confirm their understanding of what they needed to do. As a result, most customers only actively engaged

with the HRR process for a few days and did not recall receiving the additional 'touchpoints' HMRC introduced for 2017 (see Figure 1).

Figure 1 Typical customer journey through HRR 2017



Customers who did recall receiving the new communications touchpoints introduced for 2017 generally found them useful and were prompted to take action as a result (see section Chapter 4).

Secondly, the HRR 2017 process as a whole did not appear to provoke strong emotional reactions (either positive or negative) in most customers. For many, this directly contrasted with their experiences of HRR in previous years (see section 3.4).

'[When I see a letter from HMRC in general I think] Oh [expletive], what now! That's how I feel... it pulls me down. And I try and read it and I just don't understand it.' Undeclared Partner, No Prior Experience of HRR, 5+ Years on Tax Credits, Award Not Amended

'I feel worried... because I think I've done something wrong. It's like what have I done.' Work and Hours, Letter B, Prior Experience of HRR, 5+ Years on Tax Credits, Award Not Amended

'Anxious. It gives me anxiety. It's one more thing to do...what have I done, what haven't I done.' Multi-Risk, Letter B, Prior Experience of HRR, 5+ Years on Tax Credits, Award Amended

Although some during HRR 2017 were initially concerned upon receiving a letter from HMRC, once they had read the letter customers generally knew what they needed to do and were able to act. The HRR letter alleviated much of their initial concern. In most instances, those that went on to call HMRC praised the quality, tone and professionalism of HMRC staff. HMRC staff left customers understanding what would happen during HRR and how they could resolve the immediate query. In some instances, HMRC staff were able to give customers information about why they were being contacted (for example, telling a customer that their ex-partner was still registered on their household utility bills). This gave customers reassurance and an ability to act with confidence.

'The process is really, really good...straightforward and easy. They are on the other end of the phone if you need them.' Undeclared Partner, No Prior Experience of HRR, 5+ Years on Tax Credits, Award Not Amended

A final reason for HRR 2017 not being memorable was that customers might have mixed up the HRR process with general tax credits renewals as the two processes take place around the same time. Customers felt that HMRC administered both the renewals process and the HRR process professionally. Many participants in our sample felt they had experienced HRR multiple times in successive years and as a result saw HRR as a 'normal' part of renewals.

Participants that recalled the HRR process in detail had often: needed to contact HMRC multiple times to conclude the HRR process; experienced HRR in the past; or had received a Day 0 Call from HMRC. Some of these customers had more negative emotional experiences during HRR 2017. This was generally because they had more complex personal circumstances, rather than being the result of experiencing specific elements of the HRR process (see 3.3.2).

'It took me a good while to get some of the bits and pieces together... in total about 10 days before I finally got it all sent off.' Undeclared Partner, Letter A, Prior Experience of HRR, 5+ Years on Tax Credits, Award Not Amended

Some customers who had experienced HRR in the past had a more negative reaction towards HMRC in general and the HRR process. Although most of these customers had relatively smooth or emotionally neutral experiences of the HRR process in 2017, the fact that they had been in HRR before (in some instances, multiple times) meant that they felt HMRC was targeting them and that they were being unfairly treated.

'I dread it...with three years of being told we have randomly picked you and we are looking into your claim ...I don't see how three years on the trot can be random.' Disability, Letter A, Prior Experience of HRR, 5+ Years on Tax Credits, Award Amended

Customers who received the Day 0 Call were also more likely to recall the HRR process in detail. In some instances, this was because customers saw the call as something out of the ordinary.

'He was quite friendly actually... he asked if it was a good time to talk...explained why he was calling, what it was about and that they would send a letter out. ...It didn't bother me as [he] said that they just needed some information about [son]... it was a genuine call because they had some security questions that he asked and I knew it had to be HMRC.' Child Eligibility, Control, No Prior Experience of HRR, 2 Years on Tax Credits, Not Amended

The fact that for most customers the 2017 HRR process was unmemorable should not be seen as a cause of concern. The 2017 HRR process appears, as intended, to support customers to engage with HRR and supply the requested information. Most customers viewed the existence of the HRR process positively. Although participants considered themselves to be compliant and well intentioned, they were aware of instances of fraud in the UK tax credits system. Customers felt that it is right that HMRC checks that the information provided by tax credits customers is correct because HMRC is responsible for taxpayers' money. In this sense, customers felt the HRR process was justified, appropriate and a matter of routine.

'I felt okay about the [Day One Opening] letter asking for evidence I think it's fair as they do need to catch people out if they're not working right' Work and Hours, Letter B, No Prior Experience of HRR, 5+ Years on Tax Credits, Award Amended

'I don't think it's a big ask - they've got a right to ask for this information, I agree with it' Undeclared Partner, Letter A, No Prior Experience of HRR, 2 Years on Tax Credits, Not Amended

Customers' support for the general idea of the HRR process was reinforced by their experience of how HMRC treated them during the process itself. Although there were a few customers who believed they had been through the HRR process for the same risk multiple times, on the whole, customers did not feel HMRC was 'judging' their lifestyle-choices or life-circumstances. The tone HMRC used in written and verbal interactions with customers supported this. Most customers believed they had entered HRR because of HMRC's standard background checks or believed that they were the subject of a random check.⁵

⁵ A few customers, typically those flagged as at risk as having an undeclared partner, believed that a member of their local community had reported them to HMRC.

Although the HRR process was unmemorable and an emotionally positive or neutral experience for most customers, customers' reactions to the outcome of the HRR process were mixed.

When going through the HRR process, customers were aware that HMRC was requiring additional evidence from them to ensure they were receiving the right amount of tax credits and that the outcome of the HRR process may result in their award being changed. However, as discussed in section 4.1.3, many customers did not recall receiving the 'close' letter. Many confused it with the award letter which is part of the tax credits process and not the HRR process.

Although customers generally connected the evidence they had supplied with their award changing or remaining the same, customers sometimes had strong negative emotional reactions to changes in their award. This was often the case when:

- Customers felt they had informed the government of changes in their circumstances but believed these changes had not been recorded by HMRC – they recognised that they had been overpaid, but felt this was the fault of HMRC. They believed they had taken reasonable steps to provide HMRC with the information during the tax year either by telling HMRC directly or through other parts of the government.
- Customers had been over-paid by a substantial amount – customers were concerned about how they would be able to re-pay the money, which sometimes ran into the tens of thousands of pounds.
- Customers were experiencing negative life events which impacted their ability to manage stress – a few customers were going through long term illnesses that made changes in their tax credits more stressful.
- Felt that the decision was unfair – not all customers felt HMRC's decision took into account their exact personal circumstances. For example, one customer whose award was amended due to an undeclared partner felt that the decision was unfair because HMRC did not disclose the exact period of time they were amending her award from. Her partner had moved in on a trial basis of a few months and was not initially contributing to the household bills. As a result, she felt it unfair that her tax credits were changed when he moved in and not from when he was contributing financially.

Customers dissatisfied with the outcome of the HRR process and the change in their award had, however, been supported to engage during the HRR process. Generally, their reactions were due to factors outside of the HRR process and sometimes outside of HMRC's control. These are discussed in section 3.3.

Finally, although some customers who had their awards amended reacted negatively to these changes, this was not the case for all customers. Some customers viewed fluctuations in their tax credits as normal. Although they had been through the HRR process, they saw a change in their award as part of an annual cycle and understood the broad reasons why their award had changed. This was often the case for those receiving the childcare element of tax credits, who often spoke of fluctuations in their award as the result of changes in their use of childcare. Like customers who had strong emotional reactions, these customers generally did not recall the close letter.

3.3 Drivers of customers' experiences in HRR

Kantar Public identified two broad types of experience amongst the HRR participants engaged in this study:

- Simple and transactional
- Complex and protracted

The findings suggested that although some 'risks' were more likely to include customers who found the HRR process a complex experience, there were examples of customers who experienced HRR as a simple experience across all risk types.

In considering customers' individual circumstances and the influence these may have on their engagement with the HRR process, the following factors were identified as significant factors:

- Complexity and predictability of life-circumstances relevant to a person's tax credits award
- Degree to which personal records are organised and maintained
- Anticipation of HRR or a potential issue with tax credits renewal
- Presence of an ongoing issue or dispute with HMRC outside of HRR
- Personal capability issues, including English Language ability and cognitive barriers
- Being emotionally sensitive or vulnerable

Although many of these factors sit outside HMRC's control, customers' personal circumstances and life-style choices have implications for how HMRC supports and engages with them and in turn how customers responded to the HRR 2017 process. For instance, some customers found engaging with HMRC's letters more challenging because their personal circumstance made it difficult to understand what they needed to provide to HMRC.

3.3.1 Factors which caused customers to experience HRR as a simple process

Although there were examples of customers having simple, transactional experiences during HRR across all 'risk' types, in our sample, customers who were identified as being at 'risk' for their child's eligibility for CTC were the most likely to have a simple experience of HRR. With the exception of those identified as being at risk of having an 'undeclared partner', customers' experiences during HRR for other 'risks' were split between simple, transactional experiences and more complex, protracted experiences.

Customers who found the HRR process simple typically had one or more of the following attributes:

Uncomplicated, structured and predictable work and personal lives

Customers whose experiences were simple and transactional often had lives that were generally uncomplicated, were structured and predictable. For instance, they had a single source of employment, had fewer children, had children by the same father, and / or had children that all used the same childcare provider.

These circumstances made it more straightforward to provide HMRC with the information which had been requested, streamlined the amount of information customers had to supply and the number of people they had to contact to get the required information. For instance, customers identified as being at risk of having an issue with their work and hours found providing evidence simple when they only had one employer and fixed, stable working hours. Even in instances where customers had lost payslips or employment contracts, they were able to ask their employer to provide copies as evidence for HMRC. Similarly, customers who had only one child in childcare and had consistent arrangements with their childcare provider only needed to supply one or a handful of invoices to HMRC to evidence their childcare arrangements.

These comparatively 'simple' life circumstances had the additional benefit of making HMRC communications and letters clearer for the customer in terms of what evidence HMRC was requesting. For example, if customers only had children by one father, it was immediately clear which person to go to get evidence relevant to their childcare claim or if a query related to the parentage of a child. Conversely, some customers needed to call HMRC to confirm which child the query related to in order to identify who they should get additional information from as this was not always clear from the Opening Letter.

Well-organised paperwork and personal records

HRR was a simple process if tax credits customers had retained all the relevant paperwork for their tax credits claim, or in relation to a specific risk. Good record keeping meant that the required evidence was easily accessible, even if their personal circumstances were otherwise quite complex. For instance, one participant who had two children under the age of five described keeping all of her childcare invoices in case HMRC queried her childcare costs. As a result, she could quickly engage and respond during HRR.

"I keep every single one...I said I have every single one and the lady on the phone says 'well you're the only one'." Childcare costs, Letter A, Prior Experience of HRR, 5 Years on Tax Credits, Award No Amended

Anticipated that the HRR issue/risk

Some customers were aware that HMRC did not have the latest information in relation to their claim. As a result, when they received the Day One Opening Letter or the Day 0 Call they 'knew' what the query was about and were more prepared mentally and emotionally to engage with the HRR process. For instance, two of the customers identified as having a 'risk' linked to their child's disability entitlement were aware that the care component of their children's Disability Living Allowance (DLA) had been reduced earlier in the year. However, they had not yet informed HMRC. In one case this was because they had assumed the Department for Work and Pensions (DWP) would have already done this. In the other case, this was due to a lack of time.

No other outstanding issues with HMRC

Finally, customers who found the HRR process simple typically had no other outstanding issues with HMRC. For example, customers disputing a previous years' underpayment of tax credits or switching from a single to a joint claim. Customers with outstanding issues often received many letters from HMRC. Some became confused about how these issues connected with one another and what they were required to respond to.

3.3.2 Impact of new elements of the HRR process on customers who had simple experiences during HRR

Customers who had simple experiences of HRR tended to act quickly and were able to send HMRC the requested evidence meaning they did not receive a reminder call or SMS.

Some customers who had 'simple' or transactional experiences of HRR experienced 'new' elements of the HRR process, such as the Call Me Letter and/or the Day 0 Call. As a result of these conversations they were able to gather the requested information.

Customers generally found that the Day One Opening Letter met their information needs. The letter was clear and easy to understand. These customers often went on to call HMRC to confirm their understanding and the appropriateness of their intended next steps. These customers also noticed improvements in dealing with HMRC frontline staff and the quality of service they provided.

3.3.3 Factors which caused customers to experience HRR as a complex process

Customers whose experiences were complex and protracted were identified for a variety of 'risks'. Those identified as having an 'undeclared partner' were particularly likely to have a more prolonged HRR experience.

In contrast to customers who had simple and transactional experiences of HRR, customers whose experiences were more complex or protracted typically had one or more of the attributes described below.

Complicated, unpredictable or unstable personal circumstances

Customers whose experiences were complex and protracted often had lives that were complicated, unpredictable or unstable. This could be in relation to their employment status or personal lives. A customer may have several employers, a zero-hours contract and / or changeable shifts. Similarly, in their personal lives a customer may have multiple children with different care arrangements, children with different partners, and / or unstable romantic relationships (relationships which were just beginning, changed frequently or had broken down).

These circumstances could create barriers in providing HMRC with the evidence requested in a number of ways. Firstly, complex circumstances could make it more difficult for customers to understand what they needed to do following HMRC communications. Customers' personal circumstances meant HMRC's written communications appeared ambiguous or unclear as they did not contain enough specific detail.

Secondly, complex circumstances could make maintaining personal records less manageable. For instance, some customers identified as having a risk relating to their childcare costs needed to provide invoices for all of their child's childcare costs for the last 12 months. For some this meant providing 52 different invoices or more if they had multiple children in childcare. Customers whose children used different childcare providers or who paid different amounts for different children found this even more challenging.

Thirdly, complex circumstances could increase the number of parties a customer had to go to get all of the requested information, this often took more time and presented a greater challenge for customers. This was particularly the case for customers who had multiple children or multiple employers.

Emotional sensitivities or vulnerabilities

Customers who had complex experiences engaging with HRR were sometimes emotionally vulnerable or had risks that were more emotionally sensitive. The HRR process sometimes triggered or exacerbated these emotional sensitivities or vulnerabilities.

Customers identified as having a potential 'undeclared partner' were most likely to have strong negative emotional reactions to the HRR process. Almost all customers identified by HMRC as being at risk of having a potential undeclared partner described initially being '*surprised*,' '*shocked*,' '*confused*' or '*angered*'. In most instances, this was because they had not anticipated the HRR query, did not know why they were in HRR, or anticipated barriers to getting the required information. These reactions stemmed from customers either not having a partner (therefore not knowing why they had been identified as at risk) or having experienced a relationship breakdown. Customers whose relationships had ended sometimes did not know how to contact their ex-partner or did not feel safe to approach them for the requested information.

'I was quite angry... only because I felt I had done something wrong, which I didn't. I felt WHAT? Panic. I didn't think that I was doing was wrong... I just thought I was helping him out'. Undeclared Partner, Letter B, No Prior Experience of HRR, 5+ Years on Tax Credits, Award Not Amended

This uncertainty had an immediate emotional and, sometimes, social impact on customers. Customers became suspicious about why they had been contacted. Some suspected that they had been reported by a friend or neighbour to HMRC. Others believed that their ex-partner was using their address for illegal activities (for instance, credit card fraud). In some instances, these uncertainties created social discord and confrontations.

However, once they had read the Day One Opening Letter and called HMRC most customers were reassured. HMRC staff were generally able to explain what the customer needed to do and, in some instances, why the customer had been selected for HRR. This alleviated customers' suspicions and helped some resolve the HRR process more quickly.

'When I got the letter I was surprised and thought how did this happen so I called them up and he explained to me that they do like a credit check and they realised that there's this name at this

address I said okay this is what happened and explained.' Undeclared Partner, Letter B, No Prior Experience of HRR, 3-4 Years on Tax Credits, Award Not Amended

Customers with the potential 'undeclared partners' risk had more intense emotional reactions to the HRR process. For some, this was because they were contacted at a time when they had recently ended a relationship. HRR therefore brought up unpleasant memories. For others, it was because their previous relationship had broken down to such an extent that they were no longer in contact with their ex-partner. As such, they were not able to get the requested information, which caused them anxiety due to the potential financial impact. In a few instances, customers said that their relationship had broken down due to domestic violence or substance abuse and they did not feel safe approaching their ex-partner for the necessary information.

In some instances, customers were going through emotional life events which made them vulnerable. These emotional life events were not created by interactions with HMRC, but did have implications for how they reacted to the HRR process and their support needs. For example, customers with an illness or health concern. A few research participants said that they had experienced a period of ill health which led them to be flagged as a potential risk by HMRC as it created fluctuations in their income.

Customers in the above circumstances often did not feel mentally or emotionally able to engage with the HRR process and required additional support from HMRC as a result.

Customer case study: the impact of emotional life events on engagement in the HRR process

One customer experienced an extended period of illness and had been hospitalised. She was on a zero hours contract and perceived herself as not entitled to sick pay. However, she reported being entitled to holiday pay. Her employer told her to take an extended 'holiday' so that she could continue to receive income while unwell. This created issues with her tax credits entitlement and led to her award being reduced.

Personal capability issues which made it difficult to understand or engage with the HRR process

Customers who had complex experiences engaging with HRR sometimes had personal capability issues that made it more challenging for them to understand or engage with the HRR process, for instance English language skills (several participants had English as a second language) or mild learning disabilities. This made it difficult for some customers to understand what HMRC was trying to communicate and whether they had correctly understood what was required of them.

In these circumstances, customers typically asked a friend or family member to sense check their understanding and assist them. These customers reported finding HMRC's HRR communications no more or less difficult than any other form of official communication.

The nature and type of information being requested

Some customers were not able to easily access the evidence requested by HMRC. This was particularly the case for customers flagged by HMRC as being at risk of having an undeclared partner who had to demonstrate that no one was living with them. However, customers with poor records (but otherwise straightforward lives) or whose childcare providers or employers had ceased trading also sometimes struggled to get the requested information.

Not having enough specificity in HRR communications

A small number of customers had complex experiences of HRR because HMRC had not provided them with enough information about their case. This made it difficult for them to understand what was required of them or if it was 'right' that they were in HRR.

Ongoing TC issues from previous years

A small number of customers had unresolved issues of under or overpayment from previous tax years. They were confused about whether or not the HRR process was part of their current TC award or the previous outstanding issue.

Customer case study: a need for more information

One customer was flagged as having an 'undeclared partner' and wanted more information from HMRC about what period they were referring to in the HRR process. The customer had recently started a new relationship. Her new boyfriend had moved in earlier in the year but had not started contributing to the household bills until a few months later. The customer felt that this should be reflected in any HRR decision.

'I didn't pay any attention to that [HRR] letter as I didn't think it was relevant as I was putting a new claim in.' Undeclared Partner, Call Me, No Prior Experience of HRR, 5+ Years on Tax Credits, Award Amended

3.3.4 Impact of new elements of the HRR process on customers who had complex experiences during HRR

Customers with more complicated life circumstance or who were emotionally vulnerable were more likely to experience the additional points of contact introduced in 2017, for example reminder calls or SMSs. They were also more likely to need additional information to understand what evidence they needed to submit and to therefore phone HMRC.

Customers who had 'complex' experiences generally benefitted most from speaking with HMRC frontline staff. Initial communications were difficult for some customers to engage with. However, through telephone contact, customers' initial uncertainties over what evidence HMRC needed or 'why' they had been included in HRR were resolved. Several noted improvements in the quality of customer service. The greater flexibility with which frontline staff were able to treat customers appears to support customers with complex circumstances to engage with the HRR process.

'They were all quite helpful really - I was surprised they were really helpful even if the question is something stupid, they're still happy to answer' Undeclared Partner, Letter B, No Prior Experience of HRR, 3-4 Years on Tax Credits, Award Not Amended

Reminder elements (calls, SMSs) received mixed responses among this group, mainly related to personal communications preferences and individual perceptions of and relationship with HMRC. Some felt they were a useful prompt to submit information. Others, who by that point in the process had gathered the evidence and had made plans for when they would submit the information or put it in the post, were irritated by the reminder.

3.4 Comparisons between HRR 2017 and previous experiences of HRR

Most of the participants (30) in our sample had experienced HRR in previous years. Customers typically felt their experiences of HRR in 2017 compared favourably with their previous experiences.

Whether a customer felt HMRC's performance had improved was strongly influenced by the type of risk participants were in HRR for and whether or not they had had a 'simple' or more 'complex' experience of HRR in the past.

It should be noted that customers were not always comparing like with like. As a result, customers sometimes were comparing different risks, with some risks being easier to evidence (for example, child eligibility) than others (for example, undeclared partner).

Figure 2 Summary of customers' views on HRR 2017 experiences compared with previous years

	Simple HRR experience before 2017	Complex HRR experience before 2017
Simple HRR 2017 experience	HRR is broadly the same	HRR has improved
Complex HRR 2017 experience	Elements of the HRR process has improved	HRR has improved

Customers who had had a 'simple' transactional experience of HRR in previous years and had a 'simple' transactional experience in HRR 2017 tended not to notice differences in HMRC's performance. They had a positive experience in previous years and a similarly straightforward, positive experience this year.

'It is the same, straightforward as it's always been. The letter is laid out easily. The tone is the same.'
Undeclared Partner, Letter A, Prior Experience of HRR, 5+ Years on Tax Credits, Award Not Amended

In contrast, customers who had 'complex' experiences in previous years noted several improvements in the HRR process and customer service. Customers who had had simple experiences of HRR in the past, but more complex experiences in 2017, also commented on this.

Customers felt that the way frontline staff spoke to them over the phone was the area of greatest service improvement for HRR 2017. In many instances, customers who were able to compare previous years' experiences described having negative encounters with call handlers in the past. For example, call handlers having a judgemental, patronising or aggressive tone of voice. For instance, one customer described a call experience from HRR 2015-2016 questioning the parentage of her child. Another described a call degenerating into a 'screaming match'.

'They had called me and the way the guy was asking questions I didn't like it, it just seemed rude to me...asking about my son, the 5 year old asking about my ex-partner and if you guys had split up around this time how did you end up with another baby and blah blah blah...it was all a bit too much, full on...they could have asked the questions in a different way, or not so aggressive. It just makes you not want to talk then' Undeclared Partner, Control Letter, Prior Experience of HRR, 3-4 Years on Tax Credits, Award Not Amended

Customers who were able to compare with previous HRR experiences felt encounters with HMRC staff during HRR 2017 were more professional, polite and competent.

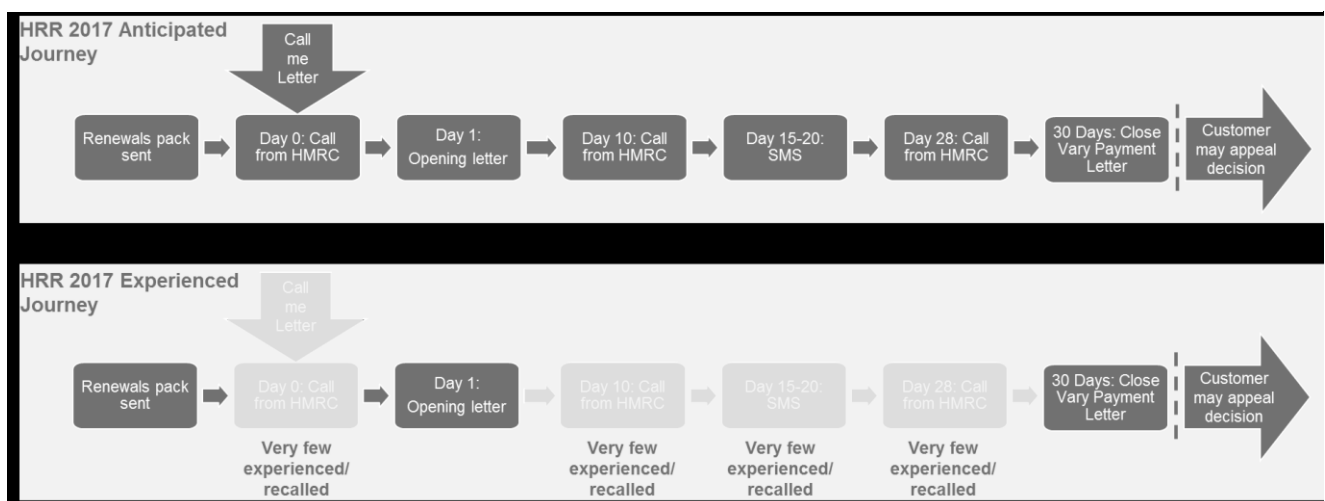
These customers also commented on new elements of the HRR process as helping them to engage with HRR. These are discussed in detail in the next chapter, but included: feeling that reminder SMSs prompted them to send information to HMRC, feeling Day 0 Calls had prepared them for the start of the HRR process and prompted them to start gathering information, and that access to their PTA had enabled them to submit information in a time and cost-effective way.

4. Customer views on communication touchpoints during HRR 2017

This section looks at customers' views on different communications touchpoints introduced for HRR 2017.

When reading this section bear in mind that most customers did not recall experiencing HRR in its entirety. This appears to be because customers acted swiftly to engage with the HRR process (see section 3.2), but may be due to HMRC's implementation of the HRR process. HMRC did not send the Call Me Letter to all customers, for instance. As such, comments on some channels and touchpoints should be treated with caution.

Figure 3 Comparison between the anticipated HRR process and that experienced by customers interviewed



4.1 Post

Overall, HMRC's letters prompted customers to engage with the HRR process. Letters received at the beginning of the HRR process made it clear what customers needed to do to close their HRR case and where to go for further information. Most customers understood what HMRC's decision was once they had read the Close Letter, although not all customers fully understood why a particular decision had been reached.

4.1.1 Call Me Letter

HMRC's 'Call Me' letter was received by a small sub-set of participants. It informed the customer that HMRC had reviewed their tax credits award for the last tax year and had found an anomaly which they needed more information about to resolve. For example, a letter may explain that there are indications that a customer may be being overpaid based on the information HMRC holds about their children. The letter also contained information on what the customer should do next (call HMRC) and what would happen if they did not call HMRC (HMRC would issue a Day One Opening Letter).

Customers had mixed reactions to the 'Call Me' letter. Some felt that the letter enabled them to plan and resolve potential issues with their tax credits before they became a problem. Once they received the 'Call Me' letter and telephoned HMRC to learn more, they were able to begin the process of gathering evidence. Customers felt this was helpful as, for some, gathering the required information took time.

Others became concerned or anxious because they felt that the 'Call Me' letter did not contain enough information for them to know what the potential issue was with their tax credits claim. However, these customers also did as instructed and called HMRC to learn more.

4.1.2 Day One Opening Letter

Almost all of our participants recalled receiving a Day One Opening Letter.

Customers generally felt that the content of the Opening Letter was clear and that the tone was professional and neutral. Having read the letter, almost all customers immediately understood that they needed to provide additional evidence to HMRC about their tax credits claim. Customers also understood how they could send this information to HMRC. Once they read the letter, they began gathering the requested evidence.

Although many customers felt the Day One Opening Letter contained enough information, some customers were not clear on why they had been selected to take part in HRR or how they could resolve the issue. This was generally due to the complexity of their personal circumstances (see section 3.3.2) and a perceived lack of specific detail or ambiguity in the Day One Opening Letter itself. This suggests that the Day One Opening Letter could contain more detail or more clearly direct customers to call HMRC for clarifications.

In most cases, customers called HMRC to confirm their understanding of the Opening Letter and to receive reassurance about what would happen next. Customers did not appear to be aware that they had a dedicated caseworker, despite their caseworker having signed the bottom of their letter and the caseworker's telephone number being included in the letter. As a result, many called the Tax Credits Helpline. However, when talking through the concept in the interviews, the idea of having a dedicated caseworker did have some appeal.

'If there is a name on a letter I would try and speak to the person, but I'm not sure their letters do have a name on them... it feels like more of a personal service as well, I like the idea of that' Undeclared Partner, Letter A, No Experience of HRR, 3-4 Years on Tax Credits, Award Not Amended

As mentioned, HMRC was trialling a number of different types of Day One Opening Letter at the time of this research. This research has not revealed any relationship between letter type and the quality of customers' experiences of the HRR process.

4.1.3 Close Letter

Customers' recall of the Close Letter were mixed. Some did not remember receiving any information about the resolution of the HRR process. Conversely, customers who were dissatisfied with the outcome of the HRR process were more likely to scrutinise and recall their Close Letter. Some treated the 'Award' notice as the official notification that the HRR enquiry had come to an end.

Customers who did recall receiving the Close Letter generally felt that it explained the outcome of the HRR process, but not HMRC's reasoning for the decision.

'A couple of weeks later I had a letter saying they were happy and that was it... it was pleasant to read - thank god for that! I've kept them happy' Undeclared Partner, Letter A, Prior Experience of HRR, 5+ Years on Tax Credits, Award Not Amended

Some customers felt that the letters could include more detailed and specific information about their case and that this would help them to provide HMRC with the information requested. Also, although the letters contain a clear 'call to action', awareness of their dedicated caseworker appears to be low as is awareness of how the Personal Tax Account (PTA) may be used to help resolve the enquiry (see below).

4.2 Phone

Telephone conversations appear to be the most influential and memorable part of customers' HRR journeys. Positive telephone interactions with HMRC left customers feeling reassured about what they need to do next and helped them to resolve the situation. Negative encounters can damage customers' perceptions of HMRC and leave customers feeling judged, as evidenced by their recall and descriptions of their experiences during HRR before 2017 (see section 3.4).

4.2.1 Manner and tone of HMRC staff over the phone

Overall customers were generally positive about their experiences engaging with HMRC over the telephone as part of HRR. Most described HMRC staff as 'helpful' and as having a professional attitude.

'Her tone was fine, she was quite happy, jolly actually - it was fine speaking to her' Work and Hours, Letter B, Prior Experience of HRR, 3-4 Years on Tax Credits, Award Not Amended

Customers described situations where HMRC staff had proactively apologised to customers in situations where errors had occurred. Staff also offered customers information about why HMRC had flagged them as a risk. This enabled customers to resolve the cause of the HRR enquiry and, hopefully would prevent similar enquiries in future years. Many customers had the impression that call handlers were doing everything they could to work with the customer within the rules.

'The lady who gave me the list was really helpful and gave me the information to help me help myself.... It was like she was on my side... I'm grateful for that' Undeclared Partner, Letter A, Prior Experience of HRR, 5+ Years on Tax Credits, Award Not Amended

A handful of customers did recall having more challenging conversations with HMRC staff. In such cases, customers felt HMRC staff were being condescending or were presuming they were 'guilty' of something, when they were not.

'The guy I spoke to was very rude to be perfectly honest. He was just very very snotty. Well you need to give me this. You need to do this. Who is this person? You already know this, so stop asking me questions you know the answer to?' Multi-Risk, Letter B, Prior Experience of HRR, 5+ Years on Tax Credits, Award Amended

This suggests HMRC's investment in frontline staff's training and the increased flexibility given to staff this year has had a positive impact on customer experience.

4.2.2 Making and receiving calls to HMRC

In 2017, HMRC planned to proactively call customers at three points where appropriate: Day 0, Day 10, and Day 28. The small number of customers, who recalled receiving a call from HMRC, typically only recalled receiving the Day 0 Call. This may be because participants in the sample acted quickly to resolve their HRR query. As a result, HMRC had no need to make follow-up calls.

Customers' reactions to the Day 0 Call were largely positive. Customers felt that the call enabled them to prepare for submitting information to HMRC. For instance, one customer immediately requested evidence from her son's nursery when she received the Day 0 Call because she anticipated it would take them several days to supply the necessary information. In this sense, the Day 0 Call enabled her to get a 'head-start' on the HRR process. She felt it meant she already had the information ready to submit when she received the Day One Opening Letter.

Customers did sometimes doubt the authenticity of the Day 0 Call if they had not yet received their Day One Opening Letter. However, this changed once they had received the Day One Opening letter as it validated the earlier phone call.

'Someone called me and said they needed more information and then they sent the letter ... at first thought it was a bit dodgy, I wasn't 100% sure. So then they sent the letter so it was okay, fine'
Undeclared Partner, Letter B, No Prior Experience of HRR, 3-4 Years on Tax Credits, Award Not Amended

Most customers in the sample had to initiate calls to HMRC during HRR. Although some commented that this was time consuming and costly, most did not find this problematic. Initiating calls let customers be in control over when they would have the conversation and prepare for these interactions. Customers did not like receiving unanticipated calls from HMRC, especially if they happened at times or in places when others may overhear the call. This was particularly relevant when calls were taking place when the customer was at work. Tax credits customers did not necessarily want their colleagues to know that they were receiving tax credits or being 'investigated' as part of HRR.

HRR customers did describe some challenges when contacting HMRC over the phone for HRR. Customers described situations where they had to make multiple attempts to reach the 'right' person or department, where they were placed on hold for extended periods of time and where they had incurred notable costs because of the length of the call. Likewise, some customers reported being given contradictory information from HMRC staff and calls not being logged in the HMRC system.

'It takes a while because you have to press so many different numbers to get the department, then you could be in the queue for god knows how long' Undeclared Partner, Letter A, Prior Experience of HRR, 5+ Years on Tax Credits, Award Not Amended

Customers' desires to prepare for a call with HMRC and to avoid incurring costs waiting on hold or getting to the right department, led some to suggest that HMRC could have a call back facility. Customers felt this would enable them to plan for successful conversations with HMRC at times when others would be less likely to overhear them. In addition, some customers felt they were getting contradictory information or that their calls were not being logged by HMRC staff. Some customers suggested keeping customers on the call until the system had been updated would be a way of avoiding this and was an element of customer service they had experienced when engaging with private sector service providers.

4.3 SMS

Only a handful of customers recalled receiving a reminder text message from HMRC as part of the HRR process. Those who recalled this text message either felt that it was a helpful reminder or a mild annoyance. Those who felt that it was a helpful reminder had typically forgotten that they needed to supply information to HMRC. Customers who were mildly annoyed by the SMS had generally already made plans for returning the information but had not yet done so. Crucially, the SMS did not provoke disengagement.

'I felt good they reminded me, I felt excited actually... everything I do last minute, I have to sort out myself' Child Eligibility, Call Me, No Prior Experience of HRR, 5+ Years on Tax Credits, Award Not Amended, English as a Second Language

Participants' lack of recall of the reminder SMSs suggests that SMSs are not noticed by customers. Customers typically said that they receive numerous unsolicited texts and pay little attention to these messages as a result. A few participants said that they thought the SMS could be a scam because the message itself was vague and they called HMRC as a result.

'I get lots of spam, so I don't bother [reading unsolicited texts]... I wouldn't have thought [it was from HMRC] because they don't send texts any other time. I wouldn't answer any emails asking for details either.' Undeclared Partner, Letter A, Prior Experience of HRR, 5+ Years on Tax Credits, Award Not Amended

Customers who did not recall getting an SMS as part of HRR were asked how they would feel if they were to receive an SMS. Most said that they would be suspicious if they did not know what the SMS was referring to, but others felt that they could be useful.

'It's fine. My doctors do it, my hospital does it.' Work and Hours, Letter B, Prior Experience of HRR, 5+ Years on Tax Credits, Award Not Amended

4.4 Voicemail

Only one customer recalled receiving a voicemail from HMRC. A case study of their experience is described in the box to the right. Further research would be required to get a clearer picture on the impact of voicemails on HRR customers.

Customer case study: voicemail prompting panic in a customer

One customer recalled receiving a voicemail from HMRC. She felt the voicemail was unclear and did not include enough information on why HMRC was contacting her. In response to the voicemail the customer made several attempts to call HMRC but was not able to reach the person who had left the message on the day of the call. This caused the customer some anxiety.

4.5 Personal Tax Account (PTA)

Most customers were not aware that they could submit information to HMRC through their PTA and the embedded i-form. Customers who were aware of the PTA and had used it referred to it as the 'Government Gateway'.

Customers who had used the PTA typically had positive experiences. Customers felt that it was easy to submit information online and quicker than submitting information by other channels. Customers felt that access to the PTA enabled them to resolve their HRR case faster than they may otherwise have been able to.

Customers felt submitting information online had a number of benefits:

- Customers could do it from their own home
- Customers could avoid the cost of posting information to HMRC
- It was faster than submitting information by post
- It provided proof that information had been submitted

Customer case study: PTA supported quick submission of evidence

One customer who had four children, two of which had disabilities, said that access to the PTA enabled her to resolve her HRR case from her own home. She said that getting to the post office with all of her children is difficult and felt that the process would have taken longer.

In summary, the PTA is an effective channel for submitting evidence for digitally enabled customers. Although awareness and use of the PTA was low, customers appear to have a strong appetite for submitting information online.

4.6 Email

No one in our sample recalled submitting information to HMRC by e mail as part of HRR 2017.

5. Conclusions and implications

This research suggests that the 2017 HRR process supported customers to engage with HRR and was an improvement on previous years' experiences. HMRC's initial communications, whether by phone or post, led customers to take action quickly. Written communications gave most customers enough information to begin gathering evidence and direction on where they should go to learn more. During their journey, customers received any necessary additional support through speaking with HMRC's frontline staff. This led to most customers in our sample having their HRR case successfully closed. At the time of interview, most customers struggled to recall the HRR process, suggesting HRR 2017 did not elicit a strong emotional reaction from customers.

Although most customers struggled to recall HRR in any detail at the time of the research, customers' practical and emotional experiences during HRR could be broken down into two groups: those who had relatively simple and transactional experiences and those who had more complex and protracted experiences.

Customers' personal circumstances determined whether their journey through HRR was a 'complex' or 'simple' process rather than the HRR process itself or HMRC's delivery of the process. Although some risk types were more likely to involve customers who experienced HRR as a 'simple' or 'complex' process than others, there were examples of both types of experience across all risks.

Customers' journeys through HRR 2017 tended to be positive or emotionally neutral overall, regardless of whether or not their journeys were simple or complex. Customers who had previously been through HRR felt their 2017 experience had improved or remained positive in line with previous experience.

Those who felt HRR had improved attributed this to the quality and tone of HMRC's call handlers and new elements of the HRR process. Most customers, regardless of whether they had previously experienced HRR or not, felt that HMRC's call handlers provided a good customer experience. Customers described HMRC staff as '*helpful*', '*fine*' and '*jolly*' and found them to be generally empathic. In many instances, HMRC staff provided information to customers that enabled them to resolve their enquiry. Customers with complex personal circumstances were typically provided with the support they needed by HMRC frontline staff to eventually provide HMRC with the requested information and close their case, as a result.

In some cases, customers identified new elements of the HRR process as helping support their engagement. Once customers understood why they were being contacted, several customers who received the Day 0 Call felt it enabled them to confirm their understanding of what they needed to do and to get a head-start on gathering the necessary information. Most of the small number of customers who recalled receiving a reminder SMS felt that it had prompted them to send in documents.

Although, ultimately, new elements of the HRR process appear to have positively impacted customers' experiences, the findings suggest that a few customers questioned the authenticity of some HMRC communications and were not aware of certain HMRC communication channels. For instance, awareness of customers' dedicated caseworker and the PTA and i-forms was generally low. Similarly, some customers did not connect the Day 0 Call or the reminder SMS with the HRR process. Sometimes this was because customers felt these touchpoints lacked specific details relevant to their case or circumstances. As a result, some customers ignored the communication, 'panicked' or viewed it with suspicion (as a potential scam). While this did not stop customers' cases from being resolved, it did slow the process down.

Appendix: Sample

Interlocking quotas	Annual household income	
Income	Under £6,800	14
	£6,801-£16,000	28
	More than £16,001	3
Previous experience of HRR process	Yes	30
	No	15

Additional quotas		Target	Achieved
Type of letter sent	A	min 15	16
	B	min 15	15
	Control	min 7	7
	Call Me	min 7	7
English as a second language	Yes	min 8	10
	No	max 37	35
Risk categories	Child eligibility	min 5	11
	Childcare costs	min 5	5
	Disability	min 5	4
	Multi Risk	min 5	5
	Undeclared partner (inc UP Plus)	min 5	16
	Work & hours	min 5	4
Type of Tax Credit claimed	Working Tax Credit	min 10	10
	Child Tax Credit	min 10	8
	Both	min 15	27
Working status	IN WORK EMPLOYED (Employed - working full time or part time)	min 7	24
	IN WORK EMPLOYED (Self employed)	min 7	10
	OUT OF WORK (Unemployed/Long term Disabled/Stay home look after house & family/In full time education/retired)	min 7	11
	2 years	min 3	5
	3-4 years	min 15	8

Length of time on Tax Credits	5 or more years	max 27	32
Payments amended as a result of HRR17	Yes	min 10	14
	No	max 35	31
Received an SMS	Yes	min 8	14
	No	max 37	31
Years on Tax Credits is 5 or more years (Q008) AND NOT involved in HRR15/16 (No at Q005)		Min 3	9

6. Quality Assurance

This project was carried out in compliance with our certification to ISO 9001 and ISO 20252 (International Service Standard for Market, Opinion and Social Research)



