



HM Revenue  
& Customs

**Research report 579**

# **Understanding customers who receive support through Voluntary and Community Sector organisations**

Qualitative research

February 2020

Behaviour, Insight and Research Team

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# 1. Executive Summary

## 1.1 Background and objectives

As part of its commitment to serve customers who need extra help, HMRC provides approximately £1.5 million annually to Voluntary and Community Sector (VCS) organisations who offer frontline support to individuals with their tax affairs, including tax credits, child benefit, debt owed to HMRC, Self-Assessment and Pay As You Earn (PAYE). HMRC also provides help through an in-house specialist team, the Extra Support Team, which works in partnership with the VCS. VCS organisations refer over 6,000 customers to the Extra Support Team annually.

IFF Research was commissioned to carry out telephone and face-to-face interviews with 45 customers who had used VCS organisations for support with their tax affairs in the last six months, in order to understand their support needs and experience of receiving support. Findings will be used to inform future VCS and HMRC support offers. The research objectives were:

- To investigate what the requirement of extra support looks like across the Customers Who Need Extra Help (CWNEH) population that use the VCS and the drivers of this support.
- To understand what CWNEH customers who use the VCS value in an adviser and how this can be reflected in HMRC's support, either via VCS organisations or HMRC itself.
- To explore how the CWNEH population are presently served through VCS organisations.
- To identify how HMRC can best respond and serve CWNEH customers who use the VCS in the future.

Throughout this report, the term 'VCS customers' is used to describe people who had used VCS organisations for support in dealing with HMRC about their tax affairs.

## 1.2 Research findings

### Receiving support from VCS organisations

**Low levels of confidence in dealing with tax matters and HMRC, and issues with HMRC systems were the most common reasons why VCS customers sought extra support.**

Customers also required support due to access barriers, issues related to their mental or emotional state, low abilities or skills and the perceived intricacy of their tax dealings. It was common for customers to display several drivers of support needs.

**VCS customers mentioned a range of support needs and these often overlapped.** For example, in addition to a technical support needs, such as help with identifying and understanding an issue, they often wanted reassurance and validation, as well as more time to go through their questions or concerns.

**It was common for VCS customers to have an existing relationship with an organisation, making them their ‘first point of call’ for any issues, including those related to tax.** Reasons for deciding to return to these organisations included feelings of trust, a proven track record of being able to respond to a range of queries, a perception that the organisation has a better understanding of a health condition or specific situation and a perception that the organisation is unbiased and objective.

**A combination of low levels of awareness, mistrust and negative previous experiences meant it was relatively rare for VCS customers to consider contacting HMRC for help.** Customers with health conditions or disabilities often felt the VCS organisation was better placed to help, due to greater understanding of the condition and more accessible communication formats. Concerns that HMRC advisers may be biased in their response to a query were also common, especially in cases related to debt.

**The actual support delivered by VCS organisations came in a variety of different ways.** These included: putting VCS customers in touch with relevant HMRC advisers (e.g. the Extra Support team); providing interpretation of HMRC communications; assisting with filling in forms; providing information about entitlements (e.g. tax credits); and offering advice on what was needed to resolve issues such as debt to HMRC.

**VCS customers were very positive about the support they had received from the organisation they had contact with.** Advisers were described as knowledgeable and professional, whilst also being empathetic, non-judgemental and understanding.

**Amongst the VCS customers interviewed, there was limited experience of the HMRC Extra Support Team and those who had interacted with them seemed unaware that this was a specialist service.** However, those that had received support from this team were satisfied with the support delivered and felt that their issue had been resolved. These customers also felt the working relationship between VCS and HMRC advisers worked well.

### **The ideal support offer and implications for HMRC**

The following are elements of the ideal support offer, as described by the VCS customers interviewed in this study:

- **Ease of contact:** This includes no or limited wait times when getting in touch over telephone and a good selection of appointments for face-to-face meetings. Some also suggested both VCS and HMRC could offer webchat as an alternative to telephone communication. Currently, VCS customers feel it is easier and quicker to contact VCS organisations for support with tax issues than HMRC. Alternatives to general telephone helplines are available from HMRC already through their Extra Support Team. This suggests that there is scope for improving awareness of this service.
- **Empathetic and well-informed staff:** VCS customers want to speak to advisers who are professional, yet empathetic and understanding. Staff should have good knowledge of tax related issues, but also of how special circumstances, such as a health condition or disability, can impact on tax dealings. Advisers must be able to communicate tax policies in a clear and concise way so that customers are equipped to deal with their tax affairs independently and compliantly.
- **Flexibility:** VCS customers value flexibility in how they interact with advisers, in terms of channels of communication and opening hours.
- **Ability to contact HMRC advisers directly:** VCS customers felt that while VCS advisers had a good understanding of how to resolve an issue, HMRC advisers have the benefit of having access to the relevant data and systems. Being able to contact an HMRC adviser directly also meant being able to resolve the issue there and then, rather than it being an additional step.

**There is evidence that the VCS organisations are supporting vulnerable customers who would otherwise go unserved.** Although in some cases VCS customers were receiving support which HMRC could offer, it is very unlikely that they would contact HMRC, even if the VCS offer was not available to them. This is due to a lack of trust in HMRC, low awareness of the HMRC advisory offer and previous experiences engaging with HMRC that were poor. There are also examples of VCS organisations proactively getting in touch with their customers to offer them tax related support, and these customers were often unaware of any support being available to them. There are however opportunities for HMRC to improve its offer to better serve this audience.

**There is scope to improve awareness of and signposting to the Extra Support Team.** While VCS customers were generally unaware of the Extra Support Team, their descriptions of the ideal support offer closely resembled the existing offer. Customers wanted to be able to speak to advisers with specialist knowledge of tax affairs and of health conditions and disabilities, but also advisers who were able to offer more time and answer questions in layman's terms.

**VCS customers believed HMRC advisers need additional training to serve those who need extra help.** It was common for customers to describe HMRC advisers as unhelpful or unsympathetic. Customers also said advisers often lack the ability to explain policies in ways that are non-technical, accessible and easy to understand. It was suggested that advisers should be offered additional training in areas such as disability awareness and customer service.

**VCS customers felt there should be an option for them to signal a need for extra support early on in their interaction with HMRC.** Some felt this should come before a telephone tree, as navigating the telephone tree was sometimes experienced as daunting and overwhelming, especially by those struggling with anxiety. While some wanted to signal accessibility needs, others simply wanted to make an adviser aware that they need extra time and/or explanation. Customers felt the organisations that support them provide this opportunity to signal support needs, as well as the expertise to deal with these needs, making them better placed to serve them as customers.

## 2. Introduction and methodology

### 2.1 Background and objectives

According to profiling data from 2013, there are around 1 million HMRC customers who need extra help with their tax affairs. As part of its efforts to support these customers, HMRC currently provides around £1.5 million per year to Voluntary and Community Sector (VCS) organisations who provide frontline support with tax matters like tax credits, child benefits, debt owed to HMRC, Self-Assessment and Pay As You Earn (PAYE). HMRC also provides extra help through an in-house specialist team, the Extra Support Team, which works in partnership with VCS organisations.

In the past, HMRC has commissioned several pieces of research on VCS organisations and the customers who use them for support with their tax affairs.<sup>1</sup> However, as this research is now relatively old HMRC have commissioned two new pieces of research: one with partner VCS organisations and one with customers of VCS organisations. The aim of this research is to provide more up-to-date information about customers who need extra help, and how HMRC can work with them and VCS organisations more effectively

This research has four key objectives:

- To investigate what the requirement of extra support looks like across the customers who need extra help (CWNEH) population that use the VCS and its drivers.
- To understand what CWNEH customers who use the VCS value in an adviser and how this can be reflected in HMRC's support, either via VCS organisations or HMRC itself.
- To explore how the CWNEH population are presently served through VCS organisations.
- To identify how HMRC can best respond and serve CWNEH customers who use the VCS in the future.

Throughout this report, the term 'VCS customers' is used to describe people who had used VCS organisations for support in dealing with HMRC about their tax affairs.

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<sup>1</sup> <https://www.gov.uk/government/publications/needs-enhanced-support-nes-customers>  
<https://www.gov.uk/government/publications/needs-enhanced-support-nes-pilot-evaluation-research>  
<https://www.gov.uk/government/publications/evaluation-of-the-needs-enhanced-support-service-national-roll-out>  
<https://www.gov.uk/government/publications/customers-who-need-tax-help-from-hmrc>  
<https://www.gov.uk/government/publications/voluntary-and-community-sector-partners>



## 2.2 Methodology

Between August and October 2019, IFF Research conducted qualitative interviews with 45 customers who had used the services of a VCS organisation to support them with their dealings with HMRC in the last 12 months. Of these 45 interviews, 29 were conducted over the telephone and 16 were conducted face-to-face.

A qualitative approach was adopted because of the potentially sensitive nature of the research and because it is an effective way of capturing the experiences and views of VCS customers in detail which allows for nuances, complexities and subtle signals to be captured and unpicked.

VCS customers were recruited through two different methods; 15 were customers who opted-in after IFF liaised with VCS organisations and asked them to publicise the research among their clients, while the remaining 30 were free-found by specialist recruiters. Customers who participated in the research had accessed a variety of different types of organisations, including those that offer support tailored to specific groups in society (e.g. single parents, people with physical disabilities and people with mental health issues).

When interpreting the data in this report it should be noted that qualitative research provides insight into perceptions, feelings and behaviours rather than quantifiable findings from a statistically representative sample. Because qualitative samples are small and purposively designed, the findings cannot be considered to be representative, but instead they provide *representation* across a breadth of different VCS customers and their experiences.

## 2.3 Case studies

Pseudonymised case studies are used throughout this report to illustrate the experiences of customers with different support needs. The case studies cover:

- Case Study A (Phil): A customer who had interpersonal and technical support needs;
- Case Study B (Emily): A customer who had technical support needs;
- Case Study C (Tanya): A customer who had interpersonal and technical support needs;
- Case Study D (Simon): A customer who had structural support needs; and
- Case Study E (Chris): A customer who had structural support needs.

### 3. VCS customers and the drivers of support needs

This chapter introduces the VCS customers that were interviewed as part of this research. It details their demographic and personal characteristics; the drivers that caused them to seek extra support from VCS organisations; and their specific support requirements.

#### Summary:

- There are six primary factors that drive the need for some customers to seek extra support when dealing with HMRC: barriers to access; personal confidence; mental health or emotional vulnerability; capability (e.g. literacy or numeracy skills); the intricacy of tax affairs; and HMRC systems.
- The most prominent drivers amongst the 45 VCS customers interviewed were HMRC systems and personal confidence, though the other five factors also featured heavily. In many cases customers exhibited multiple drivers of support needs.
- The VCS customers interviewed as part of this research had sought support from VCS organisations for a wide variety of different tax matters, including debt owed to HMRC; PAYE; self-assessment (both personal and business); and tax credits and benefits.
- Amongst the 45 VCS customers that participated in this research, most had interpersonal support needs and technical support needs. Some had structural support needs.

#### 3.1 Demographic and personal characteristics

In total, 45 in-depth interviews were conducted with customers who received support from VCS organisations in the last year. These customers were recruited to provide representation across a wide range of different demographic and personal characteristics. Table 3.1 presents a breakdown of the completed interviews by key characteristics.

**Table 3.1 The demographic and personal characteristics of the VCS customers interviewed**

<b>Gender</b>	
Male	20
Female	25
<b>Age</b>	
25-34	18
35-44	12
45-54	11
55-64	4
<b>Ethnicity</b>	
White	27
Asian / Asian British	4
Black / African / Caribbean / Black British	9
Mixed / Multiple ethnic groups	5
<b>Employment status</b>	
In full-time employment	21
In part-time employment	6
Self-employed	6
Unemployed and looking for work	8
Not working due to a health condition or disability	4
<b>Caring responsibilities</b>	
Shared caring responsibilities	22
Single parent	10
No caring responsibilities	13
<b>Health condition / disability status</b>	
Physical health condition or disability	10
Mental health condition	7
No health condition or disability	28

### 3.2 Drivers of support needs

Research conducted in 2012 identified five factors, arising from personal characteristics, that drive the need for some customers to seek additional support when dealing with HMRC.<sup>2</sup> These were barriers to access; personal confidence; mental or emotional state; capability (e.g. literacy or numeracy skills); and the intricacy of tax affairs. In addition to these five customer-centred factors, the research found that HMRC systems can also sometimes trigger or exacerbate the need for customers with significant support needs to seek additional support.

<sup>2</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/344812/report224.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/344812/report224.pdf)

This research identified the same factors as the key drivers of customer support needs. The most prominent drivers amongst the 45 VCS customers interviewed were HMRC systems and personal confidence, though the other factors also featured heavily. Indeed, in many cases customers exhibited multiple drivers for requiring support. It was rare for a driver to exist in isolation because one driver would often relate to another. For example, customers who had experienced issues with HMRC systems in the past often had low confidence and those who had low capability often had difficulties navigating HMRC systems.

Many VCS customers accessed support to assist them with their tax matters because of issues with HMRC systems. These issues related to the complexity of the tax system, unclear information being provided by HMRC, difficulties accessing information from HMRC and poor customer service from HMRC advisers. Customers had typically had negative experiences of HMRC systems within the last 3 years, although some experiences were longer ago. A few customers had more than one past negative experience. As a consequence of such issues, these customers were unable or unwilling to deal with HMRC independently. Furthermore, in a few cases, customers sought support from VCS organisations because they were not aware that HMRC had an advisory offer.

*“A lot of [HMRC advisers] are like robots and they don't care what your problem is. [They come across as] "this is how it's to be fixed and there is no other way around it".”*

DEBT TO HMRC

*“I don't like contacting HMRC directly. They can come across as quite fierce, like they don't have enough time and you are just another number.”*

BENEFITS/TAX CREDITS

Many VCS customers sought additional support from VCS organisations because they had low confidence in dealing with HMRC and, more generally, their personal tax affairs. This was often driven by negative perceptions or experiences of HMRC systems. Meanwhile in other cases, it was because customers recently entered a tax regime or started claiming a benefit and so felt apprehensive about undertaking new tasks. The customer presented in Case Study A was driven to seek additional support because, owing to a previous interaction with HMRC, he felt “daunted” by the idea of dealing with them again.

## Case Study A

Phil is in his late thirties and lives with his wife and two children. He works part-time for a haulage company and also works on a self-employed basis as a courier.

Phil had an interaction with HMRC in the past which has caused him to feel apprehensive about dealing with them directly. Around 10 years ago he owed money to HMRC and had a negative experience of their systems. He said that the people he dealt with at HMRC were *“inconsiderate and had no compassion”* and were unable to clearly explain the steps he needed to take to resolve the situation.

*“I contacted [VCS organisation] for help and emotional support as I didn't know how to deal with these people [HMRC] ... I wasn't scared, but I was daunted by dealing with such a large organisation. They don't mess about.”*

Some VCS customers required support with their dealings with HMRC from VCS organisations because of barriers to access. These individuals had difficulty interacting with HMRC through remote channels (e.g. telephone helplines and online resources) because of HMRC systems or because of their personal circumstances. For example, with regards to HMRC systems, a few had tried to get in touch with HMRC during breaks at work but were unable to get through to an adviser. With regards to personal circumstances the customer quoted below found it difficult to use HMRC telephone helplines because of his visual impairment. Similarly, another customer who is deaf had difficulties communicating with HMRC advisers over the telephone.

*“I had thought about [calling HMRC] but didn't because of the phone. It's 'press 1 for this, 2 for that'. If you are doing it on a mobile you can't feel where the numbers are. It's impossible for someone like me to do.”*

BENEFITS/TAX CREDITS

Some customers used VCS organisations because their mental or emotional state meant that they were unable to deal with their tax affairs without additional support. Examples include customers with depression and anxiety, and some that were in distress due to their financial situation. These customers often felt uncomfortable about the prospect of discussing their mental or emotional state with a HMRC adviser and did not think they would have an understanding of their circumstances.

*“It feels like this big government official department without a face, it's cold, and I didn't want to say I'm having trouble to them... I'm going to talk to a stranger who doesn't know me, who's only interested in one aspect and not*

*interested in that this person might not be feeling ok or they might not see the bigger picture.”*

SELF-ASSESSMENT (PERSONAL)

*“Everyone is treated the same [by HMRC]; ‘we can’t help you, go to the website’. I’m dealing with domestic violence, my son is on child protection and I’m on anti-depressants...There should be empathy.”*

BENEFITS/TAX CREDITS

A few customers used VCS organisations for support in their dealings with HMRC because the intricacy and complexity of their tax affairs meant that they required specialist advice. The case study below presents an example of a customer who finds the tax system complicated due, at least in part, to the need to pay more than one type of tax.

### Case Study B

Emily is in her mid-thirties and works in the Real Estate sector. She finds the tax system difficult to comply with independently due to the complexity of forms and the language used in online HMRC resources. This is partly due to the need to pay multiple types of tax.

*“There’s lots of different taxes that I need to pay and they’re pretty complex in terms of calculations, even in terms of payment with their reference numbers”*

A few VCS customers accessed extra support because they were unable to self-serve due to low capability. For example, the customers quoted below had difficulties with literacy and so found it to hard understand the content of communications and how to fill in forms.

*“I’m dyslexic and I don’t read too well. My words get all jumbled and I have to start over again”*

BENEFITS/TAX CREDITS AND DEBT TO HMRC

*“I just think having someone to clarify the wording. I know it’s not rocket science, but I couldn’t get my head around certain words and phrases...it didn’t feel very nice.”*

DEBT TO HMRC

In addition to the five customer-centred drivers of support needs and the role of HMRC systems, several customers sought support from VCS organisations instead of HMRC because of an existing relationship with that organisation and positive experiences of receiving support from them in the past. For instance, one customer had previously used a VCS organisation to better understand tax credits and benefits. This individual found the organisation to be helpful and so continued to use them for support with their tax affairs.

*“Particularly when it comes to figuring out what benefits you’re entitled to and tax credits and how they work, it can all feel quite overwhelming. I’ve had the*

*experience before that they are really good and knowledgeable, so I go straight to them, they are my 'go to'. I wouldn't go to anyone else."*

BENEFITS/TAX CREDITS

### 3.3 Support needs

In addition to the factors that drive the need for customers to use VCS organisations for extra support, this research also explored the specific support needs of customers. In other words, the tax matters that customers needed assistance with and the types of support they required.

The customers interviewed as part of this research had sought support from VCS organisations for a wide variety of different tax matters, including debt owed to HMRC; PAYE; self-assessment (both personal and business); and tax credits and benefits. It was common for customers to seek support for more than one tax matter. Table 3.2 presents a breakdown of interviews by the area of tax that VCS customers needed support with.

**Table 3.2 The tax matters that VCS customers needed support with**

Tax matters	
Debt to HMRC	22
PAYE	11
Self-assessment (personal)	10
Self-assessment (business)	14
Tax credits / benefits	19

Research conducted in 2012 identified three categories of support needs that customers who need extra help require.<sup>3</sup> These were: interpersonal support needs (the need for verbal and non-verbal communication skills); technical support needs (the need for specialist knowledge and understanding); and structural support needs (the need for physical and logistical adjustments).

Amongst the 45 VCS customers that participated in this research, most had interpersonal support needs. These customers typically wanted support that was delivered by advisers who are friendly, take their time and treat them with empathy. Although this need was prevalent, there were some customers among whom it was more pronounced. This was linked to specific drivers of support needs and the tax matter at hand. For example, those that had received poor customer service from HMRC in the past and those that had experienced stressful or emotionally distressing situations were likely to place more value on interpersonal skills. So too were customers who owed debt to HMRC or experienced difficulties with tax credits or benefits.

<sup>3</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/344812/report224.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/344812/report224.pdf)

*"Becoming a single parent was such a frightening time, and it continues to be so if I'm honest. [The VCS organisation] understand all that and places like that are so valuable when you feel so lonely".*

BENEFITS/TAX CREDITS

Many VCS customers also had technical support needs. These customers required support to help them better understand their tax matters and to explain the steps they needed to take to be able to self-serve. As with interpersonal support needs, a sub-set of customers displayed a greater need for technical support, and this generally aligned with particular drivers. These included customers with low confidence, those with low capability and those that had experienced difficulties interpreting information available from HMRC. Furthermore, technical support was often needed by customers dealing with self-assessment and tax credits or benefits. The customer presented in Case Study C was unable to understand a letter from HMRC about tax credits, so sought technical support from a VCS organisation.

### Case Study C

Tanya is in her late twenties and lives with her four-year-old son. She works part-time as an Account Manager. She receives working tax credits and child tax credits. Despite renewing her working tax credits and child tax credits annually for four years, Tanya says she still finds the process confusing and difficult.

She recently received her renewal forms and was preparing to complete and return this. She then received another letter from the HMRC compliance team. This made her very anxious and she started looking for external organisations who could help her understand the contents of the letter and explain what she needed to do next.

*"To be honest, the word compliance alone terrifies me and as soon as I got it I thought, this makes no sense."*

Fewer VCS customers had structural support needs. These needs were most common amongst customers who had difficulties accessing support through customary channels such as the HMRC website or helpline. Because of barriers to access, these customers required adjustments to be made to enable them to communicate with advisers and, in a few cases, for third parties to represent them and carry out tasks on their behalf. For example, the customer quoted below was in prison at the time they were interviewed for the research, but still had ongoing tax issues to address. With no access to the internet and limited access to phone calls, this customer required a VCS organisation to provide structural support.

*"HMRC have this notion that everyone has access to internet. Unfortunately, I don't, and I can imagine there are people in the older generation that are not computer-savvy. Having someone that understands tax, that can use a computer is a great help."*

DEBT TO HMRC



## 4. The support delivered by VCS organisations

This chapter describes VCS customers' experiences of receiving support from VCS organisations. The chapter specifically covers why and how customers initiated interactions with VCS organisations, the type of support delivered by VCS organisations and customer views on this support.

### Summary:

- All VCS customers interviewed for this research had contacted the organisation they used for support with their tax affairs directly, rather than being referred. Some had a prior relationship with the organisation, while others did research online to find relevant organisations. In some cases, customers were approached by the VCS organisation to offer their support.
- The types of support received can broadly be split into the three categories described in Chapter 3 of this report: interpersonal, technical and structural. However, quite often the support covered multiple categories. Examples of support include advice regarding their tax credits or support related to the move to Universal Credit, reassurance regarding their tax credits, help completing their self-assessment tax return, help to resolve an incorrect tax code, and help to register to become self-employed.
- Many VCS customers were satisfied with the support they received and suggested no changes. Feedback on VCS advisers was overwhelmingly positive, with words such as friendly, helpful and knowledgeable being used most commonly. However, a few did suggest minor improvements, such as having longer or more flexible working hours or having an online chat facility.

### 4.1 How customers contact VCS organisations

All VCS customers involved in the research had contacted the organisation they used for support with their tax affairs directly; none were referred from HMRC.

Some VCS customers had previous experience dealing with the organisation for support with their tax affairs and, in some instances, non-tax related issues. In these cases, there was a previous relationship in place and the organisation was therefore their first point of call for any queries. For example, one customer explained that they had been using the same VCS organisation for support for their whole life.

*"I grew up on using [VCS organisation]; that's the first port of call for any problem, not just for problems with HMRC."*

PAYE

New VCS customers often did online research in order to find relevant organisations and their contact information. However, there were a few customers who already knew of a relevant organisation that might be able to help them: for example, after seeing their office on the high street.

Some were approached directly by a VCS organisation. For example, a few were offered support regarding their disability and one VCS organisation delivered a talk in a prison, giving the prisoners the opportunity to sign up to receive support regarding their tax affairs.

*"It's the first time I've heard of anything in prison to help us with our tax. And I thought 'wow, we have to pay tax, we need this help'. Most of the lads in here would have no knowledge of tax or how to be self-employed, what a UTR number is...I think it's massively important that this happens."*

SELF-ASSESSMENT (PERSONAL) AND DEBT TO HMRC

## 4.2 When customers get in touch with the VCS organisation

A few VCS customers sought support from organisations for validation or reassurance before contacting HMRC. These customers often had intentions of resolving the issue directly with HMRC, but felt they needed to 'prepare' by speaking to a third party. This happened in cases where the customer believed a mistake had been made, for example that their tax code was wrong. In other cases, customers had had a change in circumstances and believed they may now be eligible for tax credits or benefits and wanted to understand this better before contacting HMRC. These customers often felt they did not have the confidence to speak to HMRC directly and some admitted not trusting HMRC to deal with the query in an objective or unbiased way.

*"It's the sense of not being trustworthy; I'm going to talk to a stranger who doesn't know me, who's only interested in one aspect and not interested that this person might not be feeling okay or they might not see a bigger picture."*

DEBT TO HMRC

*"To be honest, I probably wouldn't have had the courage to get in touch with HMRC about the tax credits myself, without already knowing it was incorrect. That's how [they] helped."*

BENEFITS/TAX CREDITS

It was more common for VCS customers to seek support after receiving communication from HMRC, often in the form of a letter notifying them about debt to HMRC or about a change to

their tax code or tax credits. This often sparked confusion, insecurity and fear and customers wanted to understand the issue better and in some cases for the organisation to help resolve it.

*“I just think having someone to clarify the wording, doing my self-assessment [tax return] it going very confusing, I know it’s not rocket science but I couldn’t get my head around certain words and phrases...it didn’t feel very nice so just for me to go there and for them and they would say that’s what this means.”*

DEBT TO HMRC

There were examples of VCS customers who had tried to resolve an issue with HMRC independently. In some cases, they had struggled to get through to HMRC by phone and instead contacted the VCS organisation. This was common among those doing self-assessments, as helplines tend to be busy around the self-assessment deadline. In other cases, customers felt the information provided by HMRC advisers was unclear or unhelpful as they either failed to explain things in a way the customer could understand. Customers therefore decided to seek out alternative support.

Some VCS customers said they did not need help per se but wanted to understand how their tax or tax credits were calculated and were frustrated that HMRC advisers were unable to provide this more personalised information, but instead merely repeated their policies to the customer. There were also customers who were confused by the language in a letter from HMRC but felt the advisers were unable to simplify it for them, and therefore turned to other organisations for help. A couple of these highlighted that they had literacy and numeracy difficulties when they were recruited to take part in the research, however, the difficulty with some of the language used in HMRC communications was not exclusive to this group.

*“I did [try contacting HMRC] but every time I called them their waiting times were so long on the phone, so I just thought I would rather go and see someone than talk to someone over the phone so they can see the documents I’ve got.”*

DEBT TO HMRC

There were also cases where the VCS organisation made direct contact to offer their support. This tended to be related to either a specific health condition with implications for taxation, for example visually impaired customers being eligible for the Blind Person’s Allowance, or cases where participants were in prison and therefore unable to source support themselves. Among customers with a health condition, awareness of the tax credits or benefits they were eligible for was low before the VCS organisation made contact. Customers in prison felt the support they received from VCS organisations had a significant impact. This group felt they were unable to communicate with HMRC at all without the support (as they do not have access to the internet and have only limited access to phone calls). They also felt their ability to learn about their tax dealings so that they can self-serve is limited. There were examples of customers who had significant debt to HMRC written off or resolved in some other way

through the VCS organisation, as the debt had resulted from the customer being unable to submit their tax return due to being in prison. It was felt that the resolution of the debt would make a big difference when they are released.

### 4.3 Delivery of support

With the exception of one customer who received support online via an email, all VCS customers had received support either face-to-face at the organisation's offices or over the telephone. Some had received a combination of face-to-face and telephone support.

The types of support delivered by VCS organisations broadly align with the support needs described in Chapter 3 of this report; interpersonal, technical and structural. Quite often the support delivered covered multiple categories, such as both technical and interpersonal support.

#### Interpersonal

Some VCS customers got in touch with the organisation in search of advice or support regarding their tax credits. For example, one respondent had finished a short-term job and was switching from PAYE to self-employment. She was unsure how this would impact her tax and benefit situation and therefore approached the VCS organisation for advice. Another respondent had a rival claim for child benefit from her ex-partner and did not know what her rights were. The VCS organisation explained what she needed to do and signposted her to a firm specialising in family law.

*"I wasn't too sure of my rights; I wasn't too sure what was happening with the case because I didn't have full access to it...[The VCS organisation] had a lot of very relevant information that made it extremely clear what I needed."*

BENEFITS/TAX CREDITS

#### Structural

Several VCS customers needed help to get in touch with HMRC to resolve a debt or register to become self-employed, however, due to being in prison they were physically unable to get in touch with HMRC without third party representation. In these cases, the respondent gave permission for the VCS organisation to contact HMRC on their behalf. The organisation was then able to review their tax affairs and seek to get the debt written off, as demonstrated in Case Study D below.

## Case Study D

Simon granted formal permission for the VCS organisation to contact HMRC in order to conduct a review of his tax affairs. Through doing so, the VCS organisation became aware that Simon was in debt to HMRC, owing £10,000 in VAT debt. The VCS organisation is in the process of trying to get the debt written off, as the debt had accumulated as a result of the customer being in prison and therefore being unaware of the communications he had received from HMRC.

*"Without this help, I'd owe the tax man ten grand. Straight away there is this big black cloud of £10,000 on my day of release. How can I get this fresh start? I'm trying to move forward. I couldn't do it without [the VCS organisation] to be honest. It's hard enough to communicate with them [HMRC] on the outside [of prison], let alone trying to communicate with them [HMRC] in here. It's virtually impossible."*

Some VCS customers were unsure who to contact at HMRC regarding an incorrect tax code. For example, a customer who was visually impaired contacted the VCS organisation with whom they had an ongoing relationship, which subsequently arranged a three-way call with HMRC to resolve the situation.

### Technical

Several VCS customers had sought help regarding money they owed to HMRC. A few owed money as a result of not completing their self-assessment tax return correctly or not submitting it at all. These customers sought support from the VCS organisation to get help in completing it. One individual explained that they had multiple streams of income which makes completing the form complicated.

*"There's lots of different taxes that I need to pay and they're pretty complex in terms of calculations, even in terms of payment with their reference numbers.*

*If you pay using the wrong reference number things can go wrong and then you get charged late payment charges, so it's pretty complicated."*

SELF-ASSESSMENT (PERSONAL)

Some VCS customers sought support regarding an incorrect tax code which meant they had been taxed incorrectly. Here customers wanted help to understand the issue, but some also had interpersonal support needs. Generally, customers found this situation to be rather stressful and were keen to get clarification on the issue and get it resolved quickly. In these cases, the VCS organisation reassured the customer it is not an uncommon issue and they advised them to get in touch with HMRC or arranged a three-way call with HMRC to resolve the issue there and then.

A few VCS customers who were in prison were undertaking a railway training course which will mean they can work on track repairs when they get released. These customers needed help with registering to be self-employed as their circumstances meant they were unable to get in contact with HMRC themselves.

A few VCS customers experienced a proactive offer of long-term support in that the VCS organisation got in touch with them to inform them of their eligibility to claim a disability allowance, as presented in Case Study E below.

#### Case Study E

The VCS organisation was made aware of Chris' circumstances by the NHS and called him shortly after he left hospital to explain the types of support they could offer him, including support with tax matters.

During Chris' first phone call with the VCS organisation it was recommended that he speak with one of the organisation's tax advisers, and so he arranged an appointment. The tax adviser carried out a diagnostic over the phone to identify the benefits and tax allowances he is entitled to. He was advised that he should claim PIP and two tax allowances.

*"They contacted me and explained all their services and that it would be wise to do a full benefits check... an appointment was made for an adviser to call and complete a benefits check and that identified two tax allowances."*

#### 4.4 Reflections on the support received from the VCS organisation

Feedback on the VCS advisers was overwhelmingly positive, with words such as friendly, helpful and knowledgeable being used most commonly. The VCS advisers were generally felt to be understanding and made the situation less stressful by providing clarification or reassurance.

*"They understand the situation; it's like having a friend with you."*

DEBT TO HMRC

*"Straightforward; no messing around and very understanding of my situation. Gave me time to explain my issues and pointed me in the right direction."*

DEBT TO HMRC

One respondent who had been contacted by the VCS organisation to inform them of their eligibility to claim a disability allowance stated:

*"I cannot fault them whatsoever, they have been with me every step of the way and still are. They had answers to any questions I had. I got a call the other day from [the VCS organisation]; it was a quality monitoring call so they do their own check on their advisers which I thought was really good."*

Many VCS customers were satisfied with the support they had received from the VCS organisation, believing that there was nothing missing and no improvements needed to the service.

*“I don’t think they could [improve]; they were just excellent all round: supportive, friendly, knowledgeable and they made sure the issue was resolved and I was happy – spot on.”*

DEBT TO HMRC

However, some felt they should have a dedicated case worker to ensure continuity and consistency.

*“It would have been helpful to have a specific adviser, from the time of the call, to be allocated one person.”*

SELF-ASSESSMENT (PERSONAL)

Some VCS customers would have appreciated the organisation having longer or more flexible working hours to enable easier access. As mentioned previously, a few explained that as they work full-time it is difficult to find time to visit the VCS organisation and that when contacting them by phone they have to try before or after work or during their lunch-break, which is the busiest time.

Several suggested having an online chat facility would be useful. For these VCS customers, the ability to access support online was more convenient and a couple highlighted their preference to have a record of the conversation trail. One customer suggested having the ability to share your screen so that the VCS organisation could view any documents, for example a self-assessment tax return, and help them with filling it in.

A few VCS customers mentioned that they would have liked a follow up call after receiving support to check all is well or to give them the opportunity to provide feedback on the service.

#### **4.5 Experience of using HMRC’s Extra Support Team**

There was limited experience of the HMRC Extra Support Team and those who had interacted with this team seemed unaware that this was a specialist service. However, those that had received support from this team were generally satisfied with the service and felt that their issue had been resolved. These VCS customers also felt the working relationship between VCS and HMRC advisers worked well. Most customers that had received support from HMRC’s Extra Support Team had done so via the VCS organisation dialling HMRC into the telephone call, so it was very straightforward for them.

*“I genuinely found the whole process quite refreshing. The customer journey seems very good and HMRC and [the VCS organisation] seem to have a good working relationship. The whole process was absolutely pain free.”*

There was one aspect of the support that could have been improved and this related to the understanding and empathy demonstrated by the advisers for HMRC's Extra Support Team.

*"The adviser did not acknowledge what a difficult and emotional situation this was for me."*

INCORRECT TAX CODE

When customers compared the HMRC Extra Support Team and the VCS organisation they dealt with, the VCS organisation was considered to be less biased and, as in the instance illustrated above, more understanding of their situation. VCS customers who needed support with a more sensitive issue, such as related to tax credits or child benefits, valued the empathy and understanding provided by the VCS organisation and some explained that they would choose to contact them over HMRC on this basis.

Some VCS customers believed that HMRC was more knowledgeable on tax matters than VCS organisations and would therefore be their first port of call for support. That said, customers with an ongoing relationship with a VCS organisation, for example an organisation specialising in support for a particular disability, explained that they would always naturally contact the VCS organisation first over HMRC. This latter situation demonstrates the importance of VCS organisations providing support *alongside* HMRC's Extra Support Team.



## 5. Ideal support

Building on reflections of the support received, explored in Chapter 4, this chapter details what VCS customers would consider to be their 'ideal' support offer from the organisation they dealt with.

### Summary:

- **The following key elements were reported by customers when describing their ideal support offer from the VCS organisation:**
  - **Ease of contact:** This includes no or limited wait times when getting in touch by telephone and a good selection of appointments for face-to-face meetings.
  - **Empathetic and well-informed staff:** Customers want to speak to advisers who are professional, yet empathetic and understanding. Staff should have good knowledge of tax related issues, but also of how special circumstances, such as a health condition or disability, can impact on tax dealings. Advisers must be able to communicate tax policies in a clear way.
  - **Flexibility:** Customers value flexibility in how they interact with advisers, in terms of channels of communication and opening hours.
  - **Ability to contact HMRC advisers directly:** Customers felt that while VCS advisers had a good understanding of how to resolve an issue, HMRC advisers have the benefit of having access to the relevant data and systems.

VCS customers identified a number of aspects they consider to be important when thinking about what would make an excellent support offer. The ability to access support easily was arguably the most common, for example the support organisation having flexible working hours to allow access outside of the typical 9am to 5pm working hours and having sufficient numbers of staff to allow short waiting times when contacting the organisation by telephone.

VCS customers value having a choice of delivery method. Some stated that online would be most convenient for them, while others specified their preference of receiving support face-to-face. Personal preference tended to stem from the customer's working pattern, their physical ability, or their technological competence.

*“The chance to actually meet somebody, if needed; or even face-time, just to have that conversation.”*

SELF-ASSESSMENT (PERSONAL)

There were a number of adviser characteristics that VCS customers considered were vital to their ideal service offering. These included having advisers who were understanding and well-informed, meaning they did not have to contact the organisation multiple times.

*“Knowledgeable staff, they need to be able to give you the information that you need to take your next steps.”*

BENEFITS/TAX CREDITS

Some VCS customers reported that they would like the ability to contact HMRC advisers directly, either because they had previously struggled to get through over the phone or they were unaware they could contact HMRC for advice. Customers felt that while VCS advisers had a good understanding of how to resolve an issue, HMRC advisers have the benefit of having access to the relevant data and systems. Being able to contact an HMRC adviser directly also meant being able to resolve the issue there and then, rather than it being an additional step.

Some VCS customers emphasised the need for simple language and user-friendly guidance. For example, one customer who is required to pay corporation tax, PAYE and VAT had difficulty completing their personal self-assessment tax return due to the multitude of different types of reference numbers explained that the form needs to be simplified. Findings from this study therefore suggest that simplifying the forms used for tax returns and tax credits may result in a reduced number needing support.

*“There's too many categories; it needs to be simplified and easy to maintain.”*

SELF-ASSESSMENT (PERSONAL)

VCS customers reported that they value having a dedicated adviser and being treated as an individual. The ability to satisfy different needs was also highlighted, for example providing documents in audio form for those with a visual impairment.

*“Speaking to someone who knows your particular case and is able to provide tailored advice, so discussing options which are relevant to you; offering a personalised service.”*

SELF-ASSESSMENT (PERSONAL)

A few VCS customers mentioned they appreciate having an opportunity to provide feedback on the service they receive, so that this can be used to highlight potential areas for improvement, as well as what the organisation are doing well.

## Appendix: Case studies

### Case Study A

Phil is in his late thirties and lives with his wife and two children. He works part-time for a haulage company and also works on a self-employed basis as a courier.

Phil had an interaction with HMRC in the past which has caused him to feel apprehensive about dealing with them directly. Around 10 years ago he owed money to HMRC and had a negative experience of their systems. He said that the people he dealt with at HMRC were *“inconsiderate and had no compassion”* and were unable to clearly explain the steps he needed to take to resolve the situation.

*“I contacted [VCS organisation] for help and emotional support as I didn't know how to deal with these people [HMRC] ... I wasn't scared, but I was daunted by dealing with such a large organisation. They don't mess about.”*

Phil recently received letters from HMRC informing him of unpaid taxes. He contacted a VCS organisation that he has used on and off over the last 20 years, hoping to understand why he owed money.

Phil was able to arrange a face-to-face meeting with an adviser at the VCS organisation who explained how his debt had accrued. The adviser further recommended that he set up a payment plan and gave him advice about the timeframes he should act within. The adviser offered to contact HMRC on Phil's behalf, but at this point he felt as though he understood the situation and his options enough to be able to deal with the issue himself. Following the initial face-to-face meeting with the VCS organisation Phil called HMRC and acted upon the advice he had received. The VCS adviser contacted Phil within a few weeks to make sure the issue had been resolved.

*“They gave me the relevant information to help me move forward from the position I was in... By the time I had spoken to them and they gave me the relevant information I felt I knew how to deal with it myself.”*

Phil was very satisfied with the support he received from the VCS organisation. He described the adviser he dealt with as supportive, compassionate and knowledgeable.

*“[The VCS organisation] made me feel they were on my side... I don't think I'd get that from HMRC. A lot of them are like robots and they don't care what your problem is.”*

## Case Study B

Emily is in her mid-thirties and works in the Real Estate sector.

She finds the tax system difficult to comply with independently due to the complexity of forms and the language used in online HMRC resources. This is partly due to the need to pay multiple types of tax, including corporation tax and personal self-assessment. Emily recently used a VCS organisation for support because she was having difficulty completing her personal self-assessment tax return.

*"There's lots of different taxes that I need to pay and they're pretty complex in terms of calculations, even in terms of payment with their reference numbers"*

Emily had tried to contact HMRC for support via a telephone helpline but was unable to get through to an adviser after a few days of trying during her lunch break at work, so chose to seek support from a VCS organisation.

*"When the self-assessment is due the queue is ridiculous; I've tried contacting HMRC myself but given up; you contact them and you're on hold for a couple of hours."*

An appointment with an adviser was arranged online and took place face-to-face later that week. Emily was pleased with the support delivered; the issue was explained to her and she was told how she could resolve it. Furthermore, Emily was impressed with the customer service she received from the adviser.

*"A good listener; they listened to everything I had to say first. They were patient and helpful. I found them to be to the point."*

Reflecting on the experience, Emily felt that HMRC should simplify the process of completing a self-assessment tax return and should simplify the information available online. Emily said that online support is more convenient as, unlike telephone helplines, they can be accessed immediately without the need to wait in a queue.

## Case Study C

Tanya is in her late twenties and lives with her four-year-old son. She works part-time as an Account Manager. She receives working tax credits and child tax credits. Despite renewing her working tax credits and child tax credits annually for four years, Tanya says she still finds the process confusing and difficult.

She recently received her renewal forms and was preparing to complete and return this. She then received another letter from the HMRC compliance team. This made her very anxious and she started looking for external organisations who could help her understand the contents of the letter and explain what she needed to do next.

*"To be honest, the word compliance alone terrifies me and as soon as I got it I thought, this makes no sense."*

Tanya had received support from the VCS organisation once before for an issue related to housing. When she received the letter from the HMRC compliance team she first did some online research. She read a few forums where people described similar issues and what organisations they had found helpful. She did not consider contacting HMRC directly. Based on previous interactions with HMRC, she did not believe advisers could explain what she needed to do in a clear way. She has also found advisers in the past to give contradicting information and to be judgemental or patronising.

*"Their favourite line is 'it's policy', they can't explain anything to you. I had no idea why I was doing what I was doing, it just wasn't very informative."*

She booked an appointment in her local branch and had a face-to-face meeting a few days later. The tax adviser showed her how to fill out the relevant forms and explained which types of documentation needed to be sent to the relevant HMRC teams. The adviser explained that an HMRC adviser would follow-up with her once the forms had been received and talked her through the questions they might ask.

Tanya was very satisfied with the support she received. She was very impressed by the advisers and felt they had specialist knowledge of the issues she was facing.

*"They are just so knowledgeable and they know the process back to front. They know exactly what to do and who to contact."*

## Case Study D

Simon is in his late thirties and has two children. He is currently in prison, before which he was self-employed doing block paving. He had previously contacted HMRC to register his business for VAT, however, due to a change in his circumstances he later de-registered. He then received a bill from HMRC saying he owed them money. Simon had to contact HMRC numerous times as he kept receiving letters saying he owed them VAT debt.

*"It's extremely difficult dealing with them [HMRC] because it always seems that the left arm doesn't know what the right arm is doing. You can correspond with them and you won't hear anything. It's just an absolute minefield to try to speak to someone."*

A VCS organisation came into the prison and delivered a talk about tax matters and how they might be able to help the prisoners. Simon subsequently signed up to receive support.

*"It's the first time I've heard of anything in prison to help us with our tax. And I thought 'wow, we have to pay tax, we need this help'. Most of the lads in here would have no knowledge of tax or how to be self-employed, what a UTR number is...I think it's massively important that this happens."*

Simon granted formal permission for the VCS organisation to contact HMRC in order to conduct a review of his tax affairs. Through doing so, the VCS organisation became aware that Simon was in debt to HMRC, owing £10,000 in VAT debt. The VCS organisation is in the process of trying to get the debt written off.

*"Without this help, I'd owe the tax man ten grand. Straight away there is this big black cloud of £10,000 on my day of release. How can I get this fresh start? I'm trying to move forward. I couldn't do it without [the VCS organisation] to be honest. It's hard enough to communicate with them [HMRC] on the outside [of prison], let alone trying to communicate with them [HMRC] in here. It's virtually impossible."*

Simon is currently undertaking a railway training course in prison which will mean he can work self-employed on the railway when he gets released. The VCS organisation contacted HMRC to register Simon as self-employed and to obtain his UTR (Unique Taxpayer Reference) number.

Having someone who could contact HMRC on Simon's behalf was invaluable, as without it, contact with HMRC would not have been possible.

## Case Study E

Chris is in his late forties and lives with his wife. He used to work fulltime in a warehouse but had to give up work in January 2019 after having a stroke which caused him to lose his eyesight. His wife provides him with care and practical support and he also receives support from a VCS organisation that specialises in working with people that are blind.

Chris has had minimal dealings with HMRC in the past as he spent most of his working life as a PAYE taxpayer. However, since losing his eyesight he has been required to deal with HMRC regarding tax allowances that he is entitled to now that he has a disability.

The VCS organisation was made aware of Chris' circumstances by the NHS and called him shortly after he left hospital to explain the types of support they could offer him, including support with tax matters.

During Chris' first phone call with the VCS organisation it was recommended that he speak with one of the organisation's tax advisers, and so he arranged an appointment. The tax adviser carried out a diagnostic over the phone to identify the benefits and tax allowances he is entitled to. He was advised that he should claim PIP and two tax allowances.

*"They contacted me and explained all their services and that it would be wise to do a full benefits check... an appointment was made for an adviser to call and complete a benefits check and that identified two tax allowances."*

Following the call with the tax adviser the VCS organisation arranged a conference call with NES so that Chris could get the tax allowances he was entitled to. The conversation was primarily had between Chris and the NES adviser, but a representative from the VCS organisation also contributed and provided reassurances for Chris.

Chris was very satisfied with the support he received from the VCS organisation. In particular he was satisfied with the specialist knowledge the advisers had, their interpersonal skills and the proactive nature of their support offer.

*"It's their specialist knowledge, the personal touch and follow through. They are outstanding. They really went the extra mile to help me. I can't fault them from start to finish... they have been with me every step of the way and still are. They had answers to any questions I had. Each adviser was a specialist in a particular area."*