



HM Revenue  
& Customs

# The use of High Volume Agents to claim tax rebates

Qualitative research to better understand the motivations and experiences of customers of High Volume Agents

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Behaviour, Insight and Research Team

OFFICIAL

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Research exploring use of High Volume Agents (HVAs) to claim tax rebates

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# 1. Executive Summary

HM Revenue and Customs (HMRC) customers use High Volume Agents (HVAs) to claim tax reliefs such as employment related expenses and Marriage Allowance. HVAs are private companies that deal with large numbers of clients and make requests for repayments, or submit returns that generate repayments, on the customer's behalf. HVAs often secure customers through advertising and take a substantial amount of the refund due (which can be up to 50%) as commission – fees that the customer would not pay if they claimed directly to HMRC. In some instances, customers are required to complete a Deed of Assignment as part of the initial sign-up, enabling the HVA to receive rebates for additional claims.

HMRC commissioned Kantar Public to undertake qualitative research to understand why customers engage with HVAs rather than claim directly through HMRC. The research aimed to understand the experiences, expectations and motivations of customers who use an HVA, the extent to which they understand the full terms and conditions of use when they use an HVA, and what HMRC can do to encourage direct applications. A total of 30 in-depth interviews were undertaken between 26 April and 24 May 2021 with people who had used an HVA to claim job-related expenses or Marriage Allowance.

The research found that customers decided to use HVAs for a range of reasons, including: the opportunity to receive some money without needing to put in much effort; having financial worries or pressures which encourage them to seek out opportunities for financial reimbursements; hearing of colleagues or friends and family who successfully used an HVA; the perception that the HVA is skilled and therefore capable of helping them make a successful claim; believing that the HVA is HMRC; and, a lack of awareness of the option to claim directly to HMRC.

Four typologies of HVA customers were identified: 'Opportunists'; 'Time optimisers'; 'Financial/language barrier' customers; and 'Uncertain' customers.

- Opportunists saw an HVA advert and decided to 'give it a go' as they had nothing to lose from making a claim
- Time optimisers were confident and capable of applying directly to HMRC but chose to use an HVA because they wanted a hassle-free claim process that they could complete quickly and easily
- the Financial/language barrier customers included those with language and literacy barriers to claiming directly, and those in financial difficulties who needed extra income
- the Uncertain group either lacked confidence in their ability to claim directly or were unaware that there was an option of applying directly to HMRC/that the HVA was not acting on behalf of HMRC

Across these customer groups, it was rare that participants had considered applying directly to HMRC – either because they were not aware that they could, or because they thought they were already applying through an official channel, or they did not have the confidence or perceived time to claim directly.

The level of understanding that the HVA would charge commission and of what percentage commission would be taken by the HVA varied across the sample. The Financial/language barrier customers, Opportunists and Uncertain customers were most likely to have a lower level of understanding of HVA fees. These customers were more likely to not be aware that there was a fee charged by the HVA at the time of application and they only found out when they received payment of the rebate and realised it was less than HMRC had issued. The Time optimisers had a higher level of understanding of HVA fees.

Across the typologies, those who were aware of the HVA fees at the point of making the claim were accepting of them, taking the view that the HVA was going to carry out work on their behalf to help them claim, and that the HVA was justified in charging for the service that they provided. In contrast, those who were not aware of the HVA fees at the point of making a claim felt dissatisfied that the HVA took commission from their rebate; they reported feeling angry and unhappy with the HVA service and felt that they had been misled by the HVA.

On the whole, participants thought they had read the terms and conditions of the Deed of Assignment on the HVA claim form and most could recall reading it when shown an example during the interview. The few participants who said they had not read the terms and conditions closely tended to be people with language or literacy barriers. Typically, the Deed of Assignment was thought to mean that the HVA would act on their behalf for that particular claim only. Participants generally did not understand that the HVA could receive commission for additional claims made by the customer directly to HMRC or through another HVA during the time period specified on the agreement.

Satisfaction with the HVA service was linked to expectations. Four participants had not received a rebate. The explanations from the HVA for this included that the amount they were due to receive (after commission was taken) was too small to issue a cheque for and that they were not entitled to a rebate. If participants expected to receive a repayment but then did not, or received less than they expected, or were not expecting to be charged commission by the HVA, then their level of satisfaction was lower than those whose expectations of the HVA service were met. Those who were satisfied with the HVA service thought it was appropriate that the HVA charged for the service they provided in making the claim process easy for the applicant.

Having found out during the interview that they could claim directly through HMRC, many participants said they would prefer to do this for any future claims to avoid paying commission. This was particularly the case for those who had been dissatisfied with the HVA service and those who were not aware they could apply directly to HMRC and not pay commission. However, it was noted that if applying directly to HMRC proved difficult or complicated, they would prefer to claim via an HVA again, as they expected that to be an easier process.

It was suggested that HMRC needed to raise awareness and knowledge of several aspects of the process of claiming directly. This included: that it is possible to claim directly to HMRC (and that HVAs and HMRC are not the same); how to claim directly to HMRC, including where to

find the claim form and how to complete it; and, that no charge is applied to direct claims by HMRC. Dissatisfied customers suggested that more needed to be done by HMRC to regulate HVAs. In addition, there were suggestions that HMRC could make the direct claim process easier and more appealing. This could include making it clearer and easier to navigate to the claim form on the GOV.UK website, and making the claim form itself clear to understand and easy to complete.

## 2. Introduction

### 2.1 Background

HM Revenue and Customs (HMRC) customers use High Volume Agents (HVAs) in some cases, to claim tax reliefs such as employment related expenses and Marriage Allowance. HVAs are private companies that deal with a large number of clients and make requests for repayments, or submit returns that generate repayments, on the customer's behalf.

HVAs are known to secure customers through advertising, for example on social media or other channels and usually work on a commission or 'no repayment, no fee' basis. HVA customers can be required to complete a Deed of Assignment as part of the initial sign-up, enabling the HVA to receive rebates and commission for additional claims for up to the last four complete tax years as covered by the Deed of Assignment, even though the HVA may not have carried out any work on further claims made.

HMRC commissioned Kantar Public to undertake qualitative research to understand why customers engage with HVAs rather than claim directly through HMRC, given the requirement to pay a fee. The research aimed to understand the experiences, expectations and motivations of customers who use an HVA, the extent to which they understand the full terms and conditions of use when they use an HVA, and what HMRC can do to encourage direct applications. A total of 30 in-depth interviews were undertaken with people who had used an HVA to claim job-related expenses or Marriage Allowance.

### 2.2 Research Aims

The research aimed to:

- understand the experiences, expectations and motivations of customers who use an HVA to make a job-related expenses or Marriage Allowance claim
- explore the drivers of HVA use and what HMRC can do to encourage direct applications
- identify to what extent customers understand the full terms and conditions of use when they use an HVA

### 2.3 Method

A qualitative approach was used to gain in-depth customer insight. Findings are based on 30 interviews completed via telephone or Zoom with customers who had made a claim via an HVA within the last three years. Interviews were completed between 26 April and 24 May 2021.

Kantar recruited the participants through sample provided by HMRC, which provided details of customers that had signed a Deed of Assignment and were due a refund. Opt-out letters

were sent to 537 potential participants to inform them of the research, allow them to ask questions, and give them the opportunity to opt-out of the research. A £50 incentive was offered to participants.

Of the 30 participants, 24 had made claims for job-related expenses and six for Marriage Allowance. Job-related expenses examples included mechanics claiming for tools and NHS workers claiming for uniform allowance. Marriage Allowance claimants included those who were not working due to ill-health or working reduced hours. Participants had received low (less than £100), medium (£100 to £500), or high (over £500) amounts of refunds, and 4 individuals who had submitted a claim but had not received a refund. Researchers recruited a range of professional and non-professional workers. The achieved sample is summarised in Table 1 in the appendix.

Please note, the findings are qualitative in nature, seeking to explore the views and experiences of participants. The data does not aim or allow for statistical analyses. The data presented in this report is neither representative nor generalisable and is not meant to be used to provide statistically significant results.

## 3 Findings

### 3.1 Participant background and experience of interacting with HMRC

Although there was variation in the sample, participants were typically confident dealing with finances, and felt they had sufficient knowledge of tax to deal with their own tax affairs. A few participants described themselves as “not good with money” or relied on others to help with financial responsibilities.

Confidence dealing with tax was linked to experience, with those who had more experience of dealing with tax feeling more confident to do so, and vice versa. This meant that certain groups who had less experience of dealing with tax, such as young people and employees who were on PAYE and never had any reason to deal with tax issues, were less likely to feel as confident. However, low confidence dealing with tax was not found to be a barrier to accessing HMRC support. There were participants who said they were not confident dealing with tax but who had accessed HMRC support in the past and found it to be helpful in resolving their query or felt confident that they could access HMRC support if they needed to in order to resolve a tax issue.

Participants’ levels of confidence using digital services were also generally high. In the rare instances where digital confidence was low, participants still used digital services with the help of family or friends.

The research found that language and literacy barriers were more common among participants than financial or digital barriers. This included English being a foreign language, as well as difficulty reading and completing forms, and understanding complex language. In



addition, individuals in the sample were screened out because language barriers prevented them from taking part in the research; these individuals were, therefore, not interviewed.

Experience of interacting with HMRC was common, and participants had used both the GOV.UK website and the HMRC helpline to resolve issues including tax code errors, tax credits, and self-assessments. The service received from HMRC was generally considered to have been helpful in resolving issues, and negative experiences of HMRC services were rare. Among those who had no experience of interacting with HMRC, expectations of the service they would receive were mixed. However, overall, perceptions of HMRC's service were not a key barrier to contacting HMRC if they needed to.

## **3.2 Customer journey of HVA use**

This section explores the customer journey, starting from when participants initially became aware of the opportunity to claim for tax relief via an HVA, moving on to the process of making the claim via the HVA, and then exploring the experience of receiving payment.

### **3.2.1 Becoming aware of opportunity to claim**

Participants found out that they could claim tax relief in four main ways. For both Marriage Allowance and job-related expenses claimants, peers were a key source of information. This included friends and family. For claimants of job-related expenses, colleagues and associates through work, such as suppliers of work tools, also told them about the opportunity to claim. HVA adverts were another key source of information, which participants had seen online (such as via pop-ups or on social media) or on television. In some cases, HVAs had reached out directly by cold calling or emailing. Some job-related expenses claimants had found out about the opportunity to claim through work-related channels, such as through their union or directly from their employer. Information was disseminated to employees via newsletters, emails and leaflets.

Participants had generally become aware of the specific HVA they went on to claim through at the same time as finding out about the opportunity to claim for the tax relief. This was because employers and work-based contacts had recommended a particular HVA at the same time as telling the claimant about the opportunity to claim, and HVA adverts highlighted both the specific HVA and the opportunity to claim.

*"The employer emailed us with a link to the [HVA] and said if you use this company, you can claim the tax back on cost of buying uniform"* (Female, 30-39, job-related expenses claimant)

In instances where a specific HVA was not mentioned, participants Googled the tax relief they wanted to claim and found the HVA's website in this way, with the HVA's name often sounding similar to the tax relief claimed.

### 3.2.2 Deciding to make a claim via an HVA

The researchers were able to identify four typologies of HVA customers. These were identified through their circumstances, their drivers of HVA use, and how informed they were about the process. The four typologies of users are discussed below, including how these differ according to demographics.

**Opportunists** typically saw an advert and were prompted to ‘give it a go’. They often considered the tax relief to be ‘free money’:

*“I decided to try it...if it works it's fine...I won't lose anything”* (Female, aged 62, Marriage Allowance claimant)

**Financial/language barrier customers** often faced language or literacy barriers or financial constraints. Language and literacy barriers emerged because they spoke English as a foreign language or struggled with reading and writing. Their circumstances led them to make applications without focusing on the fees the HVA would charge. Individuals with literacy barriers found the HVA’s application form easy to understand and ‘user friendly’. This group was more likely to include individuals who had low incomes or were from lower socioeconomic groups:

*“I'm the only one in my household working and struggle with money. I thought I would give it a go, which was probably silly of me”* (Female, aged 51, Marriage Allowance claimant)

**Uncertain customers** lacked confidence in their own ability, either financially or digitally and were not confident customers of HMRC. This group was more likely to think they were submitting a claim through HMRC, rather than an HVA, and includes older customers and/or those with lower incomes:

*“I did have concerns [about using an HVA] because it was quite a large amount they were taking, but I didn't know how to do it I didn't know any other way”* (Female, aged 39. Job-related expenses claimant)

*They [the HVA] didn't verify that they would take money...when I made the application [with my daughter]. It did not say on the website or the paperwork I signed”* (Female, aged 62, Marriage Allowance claimant)

**Time optimisers** were looking for a hassle-free claims process that would provide the quickest and easiest route to receiving a tax rebate. This group were aware that they could claim directly to HMRC and were confident and capable of doing so, but preferred to claim via an HVA because it was seen as easier and less time-consuming for them. This group was more likely to be from a higher socioeconomic group:

*“It seemed quick and easy, I was busy with work and life at the time so the easy option appealed”* (Male, aged 31, job-related expenses claimant)

While individuals are likely to fall into one typology, they may have characteristics of another group; for example, a Financial/language barrier customer could also lack knowledge of the opportunity to claim directly.

In addition to the typologies, several reasons were given for using an HVA, including:

- the opportunity to receive money for little effort, leading them to decide to “give it a go”
- financial worries drove customers to actively seek out opportunities to seek financial reimbursements or to respond to an HVA advert
- claiming is a cultural norm among their peers, for example, where colleagues had claimed through the HVA or the participant had made what they saw as being a similar claim in the past, such as for PPI
- the perception that the HVA is experienced, skilled, and therefore trusted to help them make a successful claim by doing the hard work on the customer’s behalf. Participants also understood that the HVA would allow them to make a claim across multiple years, whereas they mistakenly thought HMRC would only allow single-year claims
- a lack of awareness and understanding that the HVA is not HMRC and that there is an option to claim either via an HVA or HMRC

It was rare that participants had considered applying directly to HMRC. This was predominantly because they were not aware that they could, and/or they thought that by applying via an HVA, they were applying through the official and only channel.

*“I thought it was all just one big company I didn't realise it was separate from HMRC” (Female, 30-39, job-related expenses claimant)*

A lack of awareness that it was possible to claim directly to HMRC was more common among participants from lower socioeconomic groups.

Among those who were aware that they could apply directly, barriers to doing so included a lack of confidence in their ability to claim directly - that is, to understand how to complete HMRC’s claim form - and a perception that an HVA would more effectively represent their best interests. This latter perception was underpinned by a view that it was in the HVA’s best interests to claim the maximum amount of tax relief possible on the claimant’s behalf so that they received as much commission as possible. In contrast, HMRC’s role was seen to be to collect taxes rather than ensure claimants were paid as much as possible in a tax rebate.

*“Because I was claiming for multiple years I thought a firm would have been able to do it better for me, and got me the maximum amount I'm eligible for” (Male, 30-39, job-related expenses claimant)*

A further barrier to claiming directly among those who were aware that this was an option was the perceived or actual time it would take to complete HMRC’s claim form. Claiming via an HVA was seen as a quicker, easier alternative method.

Those who had searched online to find out how to claim had typically found an HVA website before any information on applying directly to HMRC. There were rare instances where a participant had been aware that they could apply directly but were unsuccessful when they attempted to do so. This included one participant who had searched on GOV.UK to find the claim form but had been unable to find it.

*"There wasn't any information I could find that made it a simple process, there wasn't a form to fill in that I can find. So it seemed a lot more difficult so I went back to the same company in the end"* (Male, 30-39, job-related expenses claimant)

There was a further example of a participant submitting a paper application form to HMRC but not receiving a response from HMRC, so they responded to an HVA advert later.

Participants did not shop around or compare HVAs. Instead, they tended to respond to HVA marketing, choose the first HVA they saw through a Google search, or go with the HVA recommended by a trusted source. Those who carried out some quality checks on the HVA before claiming, explained that they had read reviews on the HVA website, looked for the padlock symbol on the HVA website, or waited to see whether peers who had recommended the HVA received their rebate successfully. Those who did not carry out any quality checks on the HVA typically did not perceive there to be any risk in using the HVA and therefore did not perceive a need to check the quality.

*"Friends had reposted [the HVA] so instead of looking around I put my trust in it"*  
(Male, 20-29, job-related expenses claimant)

*"They didn't have a lot on me... they hadn't asked me very personal questions... just what work do you do"*  
(Female, 50-59, job-related expenses claimant)

### 3.2.3. Making the claim

There were two routes to applying for a rebate through an HVA: **active** and **reactive**. The active route involved the claimant actively seeking out how to claim after finding out they could do so. These participants generally went online to Google or visited the HMRC website to find out how to make the claim. This group were more likely than the 'reactive' group to understand that HMRC and HVAs are different.

*"I'd known for a couple of years that I could claim. I did some research online...I typed 'tax rebate' into Google"*  
(Male, 20-29, job-related expenses claimant)

In contrast, the 'reactive' route involved those who might have been aware for some time that they could apply for a rebate but waited until they were prompted to apply, for example when they saw an HVA advert, and those who did not know they were entitled to a rebate but

reacted to an advert. Those who took this route typically found out that they could apply directly from a specific HVA or from a source that linked them to a specific HVA. This group were less likely to realise that there was an option to apply directly via HMRC or that there were alternatives to applying via that particular HVA.

*“I clicked on the link in the email from the Union, I didn’t know there was any other way to make a claim”*

(Female, 30-39, job-related expenses claimant)

The process of making the claim involved one of two typical journeys: online only, and online and paper. The online journey typically involved the claimant visiting the HVA website, reading the information provided about making a claim, then completing and submitting the HVA’s online claim form. The online and paper journey involved the claimant visiting the HVA website and submitting an online request for a claim pack in the post. When they received the paper claim pack, they completed it and returned it to the HVA by post, usually in a pre-paid envelope.

After the claim form had been submitted either online or by post, claimants received communication from the HVA to confirm that their claim had been submitted to HMRC, to notify them of the timeline for when they would receive their rebate, and/or to request further information for their claim.

Overall, the process of making a claim through an HVA was considered to be easy, straightforward and quick. Preparation activities were minimal, if required at all. Where customers did gather information to prepare to make the claim, this included gathering receipts, P60s, or a marriage certificate. These were reported to be easy and quick to locate. The HVA claim form was found to be short, and presented in a clear, user-friendly format. The questions on the form were clear and easy to answer, asking for simple details such as the claimant’s National Insurance number, the name of their employer or the date of marriage. Proof of ID was not requested by the HVA. On average, it was reported to take approximately 5-15 minutes to complete the form, which was not seen as onerous. Claimants did not tend to need or seek support with completing the form because it was found to be an easy process.

### **3.2.4. Receiving payment**

Participants had typically waited a few months before they received the rebate, with a range from one week to one year. During this period of waiting, they generally did not receive any contact from the HVA. Close to the time when they received payment, some participants received a letter from HMRC informing them of the amount of rebate they had been issued by HMRC, and that the rebate would be issued to them via the HVA. Claimants then received a cheque in the post from the HVA or, less commonly, a BACS transfer payment.

Across the small number of participants who did not receive a rebate, some were informed by HMRC that their tax code had changed. There were instances where a claimant had been informed by HMRC that they had been issued with a repayment but did not receive it from the

HVA. On enquiring with the HVA as to the reason for this, they were told the repayment amount was too low to issue them with a cheque so that payment would not be made. Another individual was told by the HVA that they were not entitled to a rebate but received a letter from HMRC to say that their tax code had been changed.

### **3.3 Understanding of and views on HVA fees and the Deed of Assignment**

This section explores participants' understanding of the fees they would pay for the HVA service, and the meaning of the Deed of Assignment which they signed on the HVA's claim form. It also looks at their views on HVA fees and the Deed of Assignment.

#### **3.3.1 Understanding of HVA fees**

The percentage commission that participants had been charged by the HVA ranged from 10% to 50%. The level of understanding that the HVA would charge commission on the rebate that a claimant received, and the percentage commission that they would take, varied across the typologies. Those with a low level of understanding of HVA fees included the Financial/language barrier customers, Opportunists, and Uncertain customers. These groups were not always aware that there was a fee charged by the HVA at the time of application and they only found out about the fee when they received payment of the rebate and realised it was less than HMRC had issued. There were also participants who did not become aware of fees even at the point of receiving payment and continued to believe that they had not paid an HVA fee. Please note: the researchers were unable to check whether such participants had actually paid fees or not.

The Time optimisers group had a higher level of understanding of HVA fees, though customers across the other typologies could also be aware of fees. They were generally aware of the percentage commission they would be charged when making the application and were of the view that this was clearly explained by the HVA.

*"It was really upfront on info pack what the charges would be"* (Female, 50-59, Marriage Allowance claimant)

#### **3.3.2 Views on HVA fees**

Awareness of HVA fees when making the claim application impacted on claimants' views on them. That is, those who were aware of the HVA fees at the point of making the claim were accepting of them, taking the view that the HVA was going to carry out work on their behalf, and that the HVA was justified in charging for this service that they provided.

*"I think it was fair. I don't know how much work I would have had to have done going through the HMRC website. I would say I was more than happy to pay"* (Male, 30-39, job-related expenses claimant)

In contrast, those who were not aware of the HVA fees at the point of making a claim were dissatisfied that the HVA took commission from their rebate. They reported feeling angry and unhappy with the HVA service and felt that they had been deceived or misled by the HVA.

*“I’m angry that they took money from me...You’re not prepared for them taking money”*  
(Female, aged 61, Marriage Allowance claimant)

### **3.3.3 Understanding of and views on the Deed of Assignment**

On the whole, participants reported they had read the terms and conditions of the Deed of Assignment on the HVA claim form and most could recall reading it when briefly shown a redacted example Deed of Assignment during the interview. However, a few participants said they had not read the terms and conditions closely, and these tended to be people with language or literacy barriers.

*“I’m terrible with forms and nine times out of ten I just sign it”* (Male, 30-39, job-related expenses claimant)

After asking participants about their spontaneous recall of the Deed of Assignment, participants were given longer to look at four examples of ‘typical’ Deeds of Assignment provided by HMRC. Participants were asked what they understood it to mean. Typically, they thought that it meant that the HVA would act on their behalf for that particular claim only. They generally did not understand that the HVA could also receive commission for any additional claims made by the customer (either directly to HMRC or through another HVA) during the period stated in the Deed of Assignment; Time optimisers were the only group who understood this. There was a view that the language used, such as the word ‘unconditionally assign’ was ambiguous and did not clearly explain this full meaning.

*“It’s not that straightforward or easily understood. That’s almost like you’re reading a letter from the solicitors”* (Male, 30-39, job-related expenses claimant)

The meaning of the Deed of Assignment was explained to participants during the interview. In response, the general consensus was that it was not reasonable for the HVA to take commission for other claims made by the customer directly to HMRC or through a different HVA. This was something that participants felt they should give explicit informed consent to in order to allow an HVA to make additional claims on their behalf.

## **3.4 Satisfaction with HVA and future plans**

This section explores participants’ overall satisfaction with the service they had received from the HVA and the factors that influenced their level of satisfaction. It then considers participants’ future plans regarding making new claims and whether they would do so via HMRC or an HVA.

### 3.4.1 Satisfaction with the HVA

Satisfaction with the HVA was linked to the participant's expectations and not to the amount they claimed for; customers who had received a small amount of money could still be satisfied as long as it met their expectations. If participants expected to receive a repayment but then did not, or received less than they expected, or were not expecting to be charged commission by the HVA, then their level of satisfaction was lower than those whose expectations of the HVA service were met. Those who were satisfied with the HVA service had their expectations met or exceeded in terms of how long it would take to receive payment, and how much money they would receive.

*"Who wouldn't be happy about £2,500...it was a lot more than expected..."* (Male, 30-39, job-related expenses claimant)

Satisfied customers accepted the fees as they perceived them to be justified charges made by the HVA for the service they provided in making the claim process easy and hassle-free for the claimant. These participants believed that the fees were clearly communicated by the HVA. However, no one was sure how much work the application involved for the HVA and felt the fees may have been unreasonable if it was not time consuming for the HVA.

*"I don't know how hard it was to do [the claim]. It would be a high price to pay if not a lot of work but don't know how much work they would do"* (Male, 28, job-related expenses claimant)

Additional HVA communication with claimants, such as confirmation of receipt of the claim application and expected timelines, were additional drivers of satisfaction.

In contrast, those who were dissatisfied with the HVA service had received less than they expected, believing that the fees were not clearly communicated by the HVA. Dissatisfied customers also included those who had not received a rebate and believed they were not given a satisfactory explanation by the HVA for why this was the case.

### 3.4.2 Future plans

Since making the claim that was the focus of the interview discussion, a small number of participants had made subsequent claims in the intervening years. Of those, some had claimed directly to HMRC and others via an HVA. Those who had made a new claim directly to HMRC had claimed for a different type of rebate, such as for working from home or for Marriage Allowance after claiming for uniform expenses in their initial claim. The reason they claimed directly to HMRC for a second claim was because their confidence to claim directly had increased because they were now self-employed. Those who submitted a new claim via an HVA had either actively sought out the HVA in order to make the claim, or responded to contact from the HVA that encouraged them to make an additional claim.



*“I’ve just submitted an additional rebate because [the HVA] contacted me to say it had been two years since my last submission” (Male, 40-49, JRE claimant)*

One individual had received an unexpected payment from the HVA, without submitting an additional claim, which he was satisfied with.

Participants were asked to consider how they might make future claims. Most intended to make future claims directly to HMRC because they had become more aware of the opportunity to claim directly through the experience of participating in the interview and would now prefer to claim directly to avoid paying HVA commission. This was particularly the case among those who had been dissatisfied with the HVA service and those who were not aware that they could apply directly to HMRC and not pay commission. However, others felt that if applying directly to HMRC proved difficult or complicated, or if they were going to submit an application for multiple years, they would prefer to claim via an HVA again, as they expected that to be an easier process.

### **3.5 Suggestions to support future claims to HMRC**

This section explores participants’ suggestions for how HMRC could encourage people to claim directly through HMRC rather than via an HVA.

#### **3.5.1 Suggestions to support future direct claims to HMRC**

Participants had found out that they could claim for a rebate through the HVA or their peers. They therefore suggested that HMRC needed to raise awareness and knowledge of the claims process, namely:

- that it is possible to claim directly through HMRC rather than via an HVA
- that HVAs and HMRC are not the same entity and are separate and different from each other
- how to claim directly to HMRC, including where to find the claim form, and clear guidance on how to complete the form
- reassurance that claiming directly does not take too long and is not difficult to do, and that no charge is applied

In addition, there were suggestions that HMRC could make the direct claim process easier and more appealing. This could include making it clearer and easier to navigate to the claim form on the GOV.UK website, making the claim form itself clear to understand and easy to complete, and providing pre-paid envelopes for postal claim submissions as the HVAs were found to do.

*“[HMRC’s] website overloads you. They should make it clear on website where the form is” (Male, 30-39, job-related expenses claimant)*

*“HMRC should say that it will not take a long time” (Female, 40-49, job-related expenses claimant)*

It was suggested that such information should be communicated by HMRC via news websites, social media, and television adverts. Further, HMRC's website should be displayed at the top of google searches rather than HVAs, so that their information is more prominent and easily accessed.

*"When you Google 'claim back your tax' the first things that pop up is these companies. I imagine a good way to get people to go straight to HMRC is to get their website at the top so that when people do go and claim back their tax the HMRC website comes up first"* (Female, 30-39, job-related expenses claimant)

Participants who were dissatisfied with the HVA wanted HMRC to go a step further to regulate the market and prevent HVAs from operating as they currently are.

*"HMRC should stop these sites going out. Everything should be done through HMRC"*  
(Female, aged 61, Marriage Allowance claimant)

## Appendix A: Method

### Fieldwork

All interviews lasted up to one hour and were conducted via telephone or Zoom. Interviews were conducted using a topic guide that had been developed to reflect the aims of the study. The interviews started with introductions and some participant background, then explored how the participant became aware of tax relief and the HVA, how they made the claim application, their awareness and knowledge of HVA fees and the Deed of Assignment, their experience of receiving the rebate, and reflections on the role of the HVA, their future behaviour and support needs.

### Analytical approach

A robust and systematic approach was applied to analysing the qualitative data. This consisted of two key elements:

- process-driven elements using Kantar’s matrix mapping technique. Recordings of discussions were coded and systematically summarised into an analytical framework organised by issue and theme. The framework was developed to reflect the research objectives.
- interpretative elements focused on identifying patterns within the data and undertaking analysis between participants. This process created descriptive accounts and explanatory data, which came not only from aggregating patterns but by weighing up the salience and dynamics of issues.

Verbatim quotes are used throughout the report to illuminate and bring to life key findings and are attributed as follows: “Quote.” *Gender, age, type of claimant.*

**Table 1 – Achieved quotas in final sample**

Quotas	Number of interviews achieved
<b>Claimants of job-related expenses</b>	
Professional workers	11
C2DE	11
Casual workers	2
<b>Claimants of Marriage Allowance</b>	
Claimants of Marriage Allowance	6

<b>Contract type</b>	
Permanent	25
Casual work	2
Zero-hours contract	1
Not working/ not casual contract	2
<b>Claim received</b>	
Small (less than £100)	9
Medium (£100 - £500)	13
High (over £500)	4
Did not receive refund	4
<b>Gender</b>	
Male	12
Female	18
<b>Age</b>	
18-29	4
30-39	12
40 -49	8
50-59	5
60-64	1
<b>Income</b>	
Less than £16,000	9
£16,000 - £19,999	6
£20, 000 - £34, 999	8
£35,000 - £49,999	6
Other (e.g not working)	1
<b>Ethnicity</b>	

White (English, Welsh, Scottish, Northern Irish, British)	26
Other Asian background	1
Black Caribbean	1
Other	2
<b>Region</b>	
Greater London	1
South East	9
South West	2
West Midlands	2
North West	2
North East	2
Yorkshire and Humber	4
East Midlands	4
Scotland	2
Wales	2

## Appendix B: Topic Guide

### Researcher information

This study will provide HMRC with in-depth insight into the behaviours of individuals who use HVA(s) to claim tax relief, considering decisions made on use of agents, and satisfaction with agent use. The study will consider the key drivers of behaviour and decision-making and explore the customer journey. The research aims to understand:

- Why customers use HVAs
- How far they understand what they are signing up to
- How much they understand the Deed of Assignment
- Why customers do not claim for themselves
- How HMRC can improve services, to encourage customers to apply for themselves

**Please note, this guide is not a script and is intended to be used flexibly, with participant responses guiding the flow of the conversation.**

### Introduction

2 minutes

Section aim: Introduce research, reassure about confidentiality and set tone of discussion

- **Thanks & Introduction:** Introduce yourself and Kantar– independent research agency.
- **About the client:** Research on behalf of HMRC.
- **Purpose of discussion:** Explain that they have been selected to participate to discuss their experience of, and approach to, claiming Marriage Allowance/job-related expenses through a website or an agent.
- **Ethical considerations:** Anonymity, confidentiality, voluntary participation. If participants want to withdraw from the study, they can do so at any time, and they should contact their recruiter who will let us know to remove their data. HMRC will not know that they have taken part and their participation in the research will in no way impact their relationship with HMRC.
- **Duration:** 45 - 60 minutes.
- **Incentive:** £50 BACS transfer as a thank you for taking part in the research.
- **Reassurances:** No right or wrong answers - we are simply asking for people's views.

- **Recording:** Explain we would prefer to record the interview as this helps us to capture accurately what is said. Ask participant for permission to record, then start recording and confirm consent
- **Any questions/concerns?**

## 2. Background and context

5 minutes

Section aim: to warm participants up to the discussion and gain background information on the participant, including digital and financial confidence and experience of interacting with HMRC

- **Participant introduction**
  - Name, age, who live with
  - Whether currently employed, self-employed, not working; type of job they do
  - Impact of Covid 19 on their work (including type of job, hours, pay)
- **Digital, financial and tax confidence**
  - Explore confidence dealing with general financial issues – probe: household finances - explore reasons for views
  - Explore confidence dealing with tax; explore reasons
  - Where do they get information on how to deal with finances or tax
    - Sources they trust more/less; reasons for views
  - Explore use of digital services – probe: internet, banking, booking tickets, other government websites e.g. DVLA, other
  - How confident do they feel using digital services – explore reasons for views; whether confidence varies depending on type of activity
- **Interaction(s) with HMRC**
  - Explore awareness of how to contact HMRC – probe: website; mobile app, phone, other
    - Which would be their preferred channel for contacting HMRC; why
  - Explore any previous experience of direct contact with HMRC i.e. via helpline, website, web chat, post, PTA, submitting tax return, renewing tax credits
    - Frequency of contact
    - Nature of query(s); reason(s) for contact
    - Any support received with contacting HMRC (from friend/family/trusted helper/agent)

- Experiences of HMRC's service; how helpful; views on clarity and ease of process, how approachable staff were, speed of resolution; whether query was resolved
- Impact on perceptions of HMRC - how the experience affected their views on/feelings towards HMRC and likelihood of contacting HMRC again in the future
- How helpful do they expect HMRC would be in resolving a query; reasons for views
  - Any concerns about contacting HMRC directly; reasons for concerns

### 3. Becoming aware of tax relief and 'HVA'

8 minutes

Section aim: to explore process of becoming aware of tax reliefs and HVAs, decision-making when deciding to make a claim, and deciding to claim via HVA rather than directly with HMRC. Customer perceptions of information available and how well-informed they felt.

*[Researcher note: Use appropriate term to refer to HVA throughout, according to respondent's understanding, e.g. a website, company, service, or possibly an individual through which they made the claim- do not use the term HVA as the respondents are likely to be unaware of this terminology]*

*Explain we would now like to talk about their experience of claiming Marriage Allowance/job-related expenses for the first time. We would like them to think about the claim they made through a website or an agent. Researcher to check responses to below against sample information (where available) to check respondent is thinking of the correct claim (i.e. the first direct claim they made through the website/company/service listed on the sample information. This could be the first year they received payment from the HVA). Can prompt on when they received the repayment but understand they may have made the initial application at a different date:*

- **What they were claiming for** – probe whether Marriage Allowance or job-related expenses, type of job-related expenses e.g. uniform, equipment, *[respondent may have also claimed Marriage Allowance and job-related expenses. In such case, researcher to focus discussion on the claim made in sample information i.e. either Marriage Allowance or job-related expenses]*
- **The name of the website or company they made the claim through** *(Researcher use this name instead of 'HVA' throughout)(Researcher note if they have spontaneous*



*recall. If cannot recall, prompt from sample sheet) Explain the first claim they made through this agent/website is the claim we are interested in focusing on*

- **When the first claim application through this agent/website was made**
- **Becoming aware of the opportunity to make a claim**
  - How they first found out they could claim Marriage Allowance/ job-related expenses
    - Information source – probe: social media, website, colleague, friend, other
      - If social media:
        - What platform type (e.g. Facebook, Instagram, Whatsapp)
        - Where did information come from e.g. HVA
    - Describe what they found out about claiming Marriage Allowance/job-related expenses
    - If relevant, explore difference between initial source of awareness and trigger to act upon information
      - Why decided to act when they did and not before
- **Becoming aware of HVA and initial contact**
  - How did they identify the agent at the outset - probe: website, social media, company, an individual, advert; reasons for using this channel
    - whether they shopped around, i.e. explored the possibility of using different agents, or went with the first one they found
  - Explore initial contact with the HVA; what did this involve
    - Mode of contact
    - Nature of contact – any issues/queries discussed/information provided. How information affected their decision-making
- **Deciding to use HVA**
  - Explore views on the HVA
    - What appealed/attracted their interest
      - What about adverts that appealed/attracted their interest
      - What they saw as the benefits of using HVA
    - Any concerns around using HVA; how these were overcome
    - Whether did checks on quality of HVA
      - How they did this; how did check provide assurance
    - Whether considered other HVAs, reasons why/not
    - Why decided to use that HVA

- **Awareness and views on making claim directly to HMRC**
  - Whether were aware could make claim directly to HMRC; source of information
  - Whether considered making direct claim; why/why not
    - Awareness of they how could do this
  - Whether visited 'GOV.UK' website for claiming Marriage Allowance/job-related expenses
    - Experiences of 'GOV.UK' website – how helpful; why/why not
      - How easy was it to navigate the website; understand the information
      - *Researcher note the respondent's English language skills and if relevant, probe – any language barriers to understanding information on HMRC website*
    - Impact on decision not to claim directly
  - Views on making direct claim to HMRC
    - Why decided not to make direct claim
    - Perceived benefits/disadvantages of direct claim; reasons for views
    - Previous experience of making direct claim; how satisfactory; reasons
  
- **Deciding to make a claim**
  - Detail the reasons they decided to make a claim
    - Issues considered - probe: commission taken; Deed of Assignment (DoA) (*note, will explore this later*); opportunity to claim directly, other
    - Perceived benefits and risks; how they weighed these up
    - Any concerns
  - How confident were they that were due a rebate (*or to what extent was it a speculative claim*); reasons for views

#### 4. Making an application

10 minutes

Section aim: to understand participant's experience of claiming through an agent. Establish key events and highlight the motivations, decisions and influences.

*Researcher note: Referring to the when respondent said they made they claim, discuss the participant's experiences of making the claim(s) through an HVA. Fully explore all participant can remember throughout the process, including key points of contact, what worked well / less well, how they felt at each point of contact – and **record on journey map**.*

Explain that we are now interested in talking about the application process

- **Making a claim application**

- How soon after becoming aware of the agent did they decide to make the claim
- Describe the process of making a claim - in own words
- Whether started to claim through HMRC/gov.uk and decided not to/dropped out – probe: reasons why changed mind
- Any preparation activities they carried out – probe: looking for and gathering information
  - How easy was it to find the information required
  - Any difficulties/questions and how overcame
  - Any support received; from who
- **Mode** used to make the claim - probe: online, paper form, other
- Experience of completing **application form**
  - Time spent on it/ease of completion
  - Information they had to provide on application form, e.g. proof of identity
  - Questions HVA asked them to make application, e.g. whether asked them to confirm their identity
  - Views on ease of completion/difficulties encountered, how overcame
- Any **support** received when completing application – probe: HVA, HMRC, family, friends, colleagues, others – provide examples
- Explore **views** of the claim application process; what they liked/disliked about the process; views on ease, clarity, simplicity
  - Any concerns during application process; how concerns were overcome; information or support received

- **HVA fees and charges**

- Explore understanding of **HVA charges/commission**
  - Whether they were aware that there would be any charges
  - What they understood charges to be
  - Understanding of how charges would be calculated – describe in own words
  - Awareness of percentage commission HVA would take; how this would affect the amount of rebate they received
  - Awareness that claiming directly from HMRC would avoid paying commission to HVA
- How became aware of fees and charges

- Whether looked for this information
- Where found the information
- Views on information – how clearly were fees and charges explained
- Views on HVA fee
  - How reasonable they thought it was; reasons for views
  - Expectation of what HVA would do for them for the fee
- **Awareness and knowledge of the Deed of Assignment**
  - How closely did they read the details of the claim form before signing it
  - Whether they read the terms and conditions; in how much detail

*Researcher: show DoA as prompt but do not allow respondent to study in detail.*

*Explore:*

- Whether remember reading this agreement on the claim form
- In own words, what they understood this to mean
- Whether were aware that:
  - The HVA could claim and receive commission for all repayments due for that claim for all tax year (s) specified in the DoA.
  - The HVA could receive commission on claims for other types of repayments for tax reliefs that you have claimed directly to HMRC and with no interaction with the HVA, if the claim applies to the tax year (s) specified in the claim you made through the HVA, which are therefore covered by the DoA.
  - If in the situation you claim directly to HMRC, the DoA requires HMRC to send the repayment to the HVA, who will then take their commission and provide you with the remainder.
  - They could cancel the agreement, how they could cancel it
- What informed their understanding of this part of the form
  - Whether asked HVA/anyone else about what it meant
- Views on how clear this part of form was/ how easy to understand
  - How clear was it what it meant
  - How clear was format e.g. print size, words used

*For respondents who have no recollection of DoA, show them an example of a DoA and read through it with the respondent, explaining that it means that the HVA will receive commission for other claims for marriage allowance/job related expenses or any other repayments due –*

*whether submitted directly to HMRC or through the agent – if the claim applies for the same tax year(s) as specified in the original claim.*

- Views on the DoA (***refer to it as ‘the agreement’ with the agent/website***); how reasonable did/does it seem that:
  - The HVA would also receive commission for other claims respondent made directly to HMRC which relate to *the same tax year(s) as specified in the original claim, which are therefore covered by the DoA*
  
- **Whether contacted HMRC about the DoA (*refer to it as ‘the agreement’ with the agent/website*)**
  - (If yes) What prompted them to contact HMRC – how did they know to contact HMRC
  - Whether approached HMRC to try to cancel the DoA
  - Whether contacted HMRC to make a complaint about DoA
  - What response they received from HMRC; how HMRC handled their complaint
  - Satisfaction with complaint resolution – how satisfied were they with HMRC’s response; why/not

## 5. Receiving a rebate

10 minutes

Section aim: to understand participant's experience of receiving payment and any other rebates received since.

Explain that we are now interested in talking about the payment received

- **Receiving payment of rebate**
  - **How long** was it between submission of claim and receipt of payment; how felt about this  
Explore **expectations** for receiving a payment – timing, amount, method of payment
  - **Method of payment** – probe BACS, cheque
  - **Satisfaction** with the amount received
    - Whether was amount expected to receive; if not:
      - How felt about this
      - Understanding of why received more/less
      - Whether tried to find out why had received more/less
        - What they did; what they found out
    - Views on HVA commission; awareness of amount deducted; how clearly it was explained
    - Any other charges; views on these
  - Explore **overall views** on receiving payment; any issues; how resolved
    - Any support received at this stage – probe: from HMRC; HVA; friends
    - Experiences of any support received from HMRC
    - Outcomes of support from HMRC; whether issue was resolved
- **Other rebates received**
  - Whether any further rebates (e.g. for Marriage Allowance, job-related expenses, PAYE refund for emergency tax or job change) were received in subsequent years (either through same HVA or via direct claim to HMRC)  
For each rebate received (*or if there have been several, and we are short on time, please consider the most recent one. If had applied directly and HVA used previously continued to take commission on direct claims, or, if had multiple*

*HVAs collecting commission on direct claims, please explore these cases*  
explore:

- Whether it was a direct claim (to HMRC) or via an HVA
- Whether used the same HVA as before or a different HVA
- Nature of any direct contact with HMRC
- How they were notified of payments received – probe: email, letter or just received payment from HVA
- Did they receive / expect to receive these payments through HVA? How did they feel about this?
- Views on receiving further rebates; extent to which these were expected; why/not
- Awareness of whether commission/other charges deducted before received payment; how far this met expectation, was this clearly explained to them
- Awareness of how much was deducted
- Views on how much they actually received – did this meet their expectation?
- Views on commission taken; how reasonable (*probe particularly on views on HVA commission on direct claims; and views on commission taken by first HVA if used different HVAs for different claims*)

## 6. Reflection on role of HVA, future behaviour and support needs

7 minutes

Section aim: to understand reflections on role of HVA, future plans for tax relief claims, suggestions for change and support needs

Explain that we are now interested in discussing their opinions of using [agent's name] and their future plans

- **Explore overall views on using HVA**
  - Overall views on making claim via HVA
  - How satisfied they are with experience of using HVA; reasons for views
    - What they liked/disliked about experience (probe time taken to apply and receive claim, burden/ease)
    - Extent to which met expectations; reasons for views
    - Views on whether could have received same outcome without using HVA; why/not

- **Future plans**

- For any future rebates, explore likelihood of using HVA vs. making direct claim from HMRC
  - Reasons for views; perceived benefits/drawbacks for each option
  - What could HMRC do to break down any concerns about dealing directly with them
  - How would they share information; where would it be found e.g. HVA/HMRC website, claim form

- **On reflection, would they advise others to make a Marriage Allowance/job-related expenses claim direct to HMRC or via a HVA**

- How could they be encouraged to make a direct claim
  - What support or information would they need
  - Who should provide this support/information/ where would it be found
    - Role of HMRC
    - Whether would make a direct claim via an HMRC app if could do so
      - Would this make them more likely to make a direct claim rather than via a HVA

- **Suggestions and support needs**

- If they were going to work with HMRC to encourage people to make a direct claim from HMRC instead of via a HVA:
  - What key messages would they share to encourage others – probe: simplicity of process; understanding of HVA commission/meaning of DoA
  - What could HMRC do to break down any concerns about dealing directly with them?
  - How would they share information/key messages about simplicity of process etc; where would it be found, e.g. HVA/HMRC website, claim form



**7. Close**

**3 minutes**

Section aim: to capture any final thoughts and wrap up the discussion

- Final thoughts / comments around using an HVA for claiming Marriage Allowance/job-related expenses
- Explain incentive process (£50). Check email address
- Offer signposting information if required, email to respondent after interview

Thank and close. Ask if happy to be recontacted if we wish to clarify any points