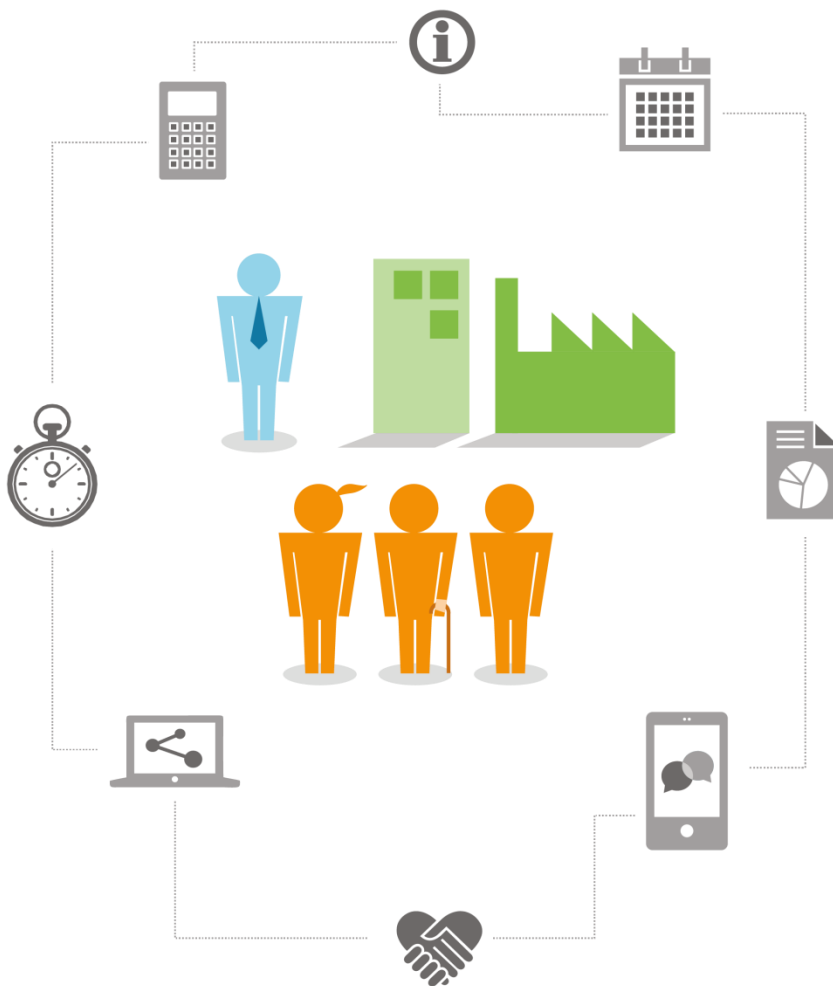




# HM Revenue & Customs

## Individuals, Small Business and Agents Customer Survey 2020

HMRC Report: 613



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<https://www.gov.uk/government/organisations/hm-revenue-customs/about/research>

# Glossary

CATI – Computer Assisted Telephone Interviewing

ABOS – Address Based Online Surveying

VAT – Value Added Tax

PAYE – Pay As You Earn

SA – Self-Assessment

PTA – Personal Tax Account

BTA – Business Tax Account

Base size – This is the number of respondents who were asked a question

HMRC – HM Revenue & Customs

KDA – Key Driver Analysis

MTD – Making Tax Digital

CJRS – Coronavirus Job Retention Scheme

SEISS – Self-Employment Income Support Scheme

Tax avoidance – this was described in the survey as people trying ‘to exploit tax rules to gain a tax advantage that Parliament didn’t intend – in other words, operating within the letter, but not the spirit of the law’

Tax evasion – this was described in the survey as people trying to ‘reduce the amount of tax they have to pay by not telling HMRC about all of their income’

VAT mandated – this describes Businesses with taxable turnover above £85,000 and that reported paying VAT. Since April 2019 these businesses have been required to keep digital records and submit VAT returns through Making Tax Digital.

# Contents

Glossary .....	3
1.Executive summary .....	8
1.1 Individuals .....	8
1.1.1 Customer experience .....	8
1.1.2 Perceptions of HMRC.....	9
1.2 Small Businesses.....	10
1.2.1 Customer Experience.....	10
1.2.2 Perceptions of HMRC.....	11
1.2.3 Making Tax Digital.....	11
1.3 Agents.....	12
1.3.1 Customer Experience.....	12
1.3.2 Perceptions of HMRC.....	13
1.3.3 Making Tax Digital.....	14
2.Introduction .....	15
2.1 Background .....	15
2.2 Research aims .....	15
2.3 Methodology.....	16
2.3.1 Customer Groups.....	16
2.3.2 Fieldwork methodology .....	18
2.3.3 Comparability with previous Customer Survey.....	18
2.3.4 Survey content .....	18
2.3.5 Customer Experience Dimensions .....	19
2.3.6 Key Driver Analysis .....	20
2.4 Reporting notes .....	21
3.Individuals .....	23
3.1 Chapter summary.....	23
3.2 Profile of Individuals .....	24
3.2.1 Demographic profile .....	24
3.2.2 Taxes paid and benefits and credits received .....	24
3.2.3 Interactions with HMRC in previous 12 months.....	27
3.2.4 Channels used to interact with HMRC.....	27
3.2.5 Agent usage and ease of having an agent act on Individual's behalf.....	30
3.3 Use of Government Covid-19 support schemes.....	33
3.4 Customer experience .....	34

3.4.1 Use and rating of the Personal Tax Account .....	35
3.4.2 Rating of services – webpages, other online services and telephone .....	36
3.4.3 Satisfaction with payment methods available .....	39
3.4.4 Overall rating of Individual experience .....	40
3.4.5 Primary areas for improvement .....	41
3.5 Views on administration of the tax system .....	51
3.5.1 Fairness .....	52
3.5.2 Ease of dealing with tax issues .....	53
3.5.3 Personalisation of services.....	53
3.5.4 Perception of online services being joined up .....	54
3.5.5 Empathy .....	55
3.5.6 Accountability .....	57
3.6 Perceptions of HMRC's Reputation.....	59
3.6.1 Efficiency and effectiveness .....	59
3.6.2 Fairness in applying penalties and sanctions .....	61
3.6.3 Protection of personal information.....	62
3.6.4 Overall confidence in HMRC .....	63
3.6.5 Favourability and advocacy.....	64
3.7 Perceptions of compliance .....	67
3.7.1 Acceptability and extent of tax evasion .....	67
3.7.2 Acceptability and extent of tax avoidance .....	69
3.7.3 Perceptions of effectiveness at preventing or reducing tax avoidance.....	70
4.Small Businesses.....	72
4.1 Chapter Summary .....	72
4.2 Profile of Small Businesses.....	73
4.2.1 Demographic profile .....	73
4.2.2 Taxes paid.....	75
4.2.3 Channels used to interact with HMRC.....	76
4.2.4 Agent usage .....	79
4.3 Use of Government Covid-19 support schemes.....	80
4.4 Customer Experience.....	82
4.4.1 Rating of service.....	82
4.4.2 Satisfaction with payment methods available .....	87
4.4.3 Overall rating of customer experience.....	88
4.4.4 Primary areas for improvement .....	90
4.5 Views on administration of the tax system .....	103

4.5.1 Fairness .....	103
4.5.2 Ease of dealing with tax issues .....	104
4.5.3 Personalisation of services.....	105
4.5.4 Rating of whether HMRC online services were joined up.....	107
4.5.5 Integration .....	108
4.5.6 Empathy .....	110
4.5.7 Accountability .....	112
4.6 Perceptions of HMRC's Reputation.....	113
4.6.1 Efficiency, effectiveness, and fairness.....	114
4.6.2 Protection of personal information.....	117
4.6.3 Overall confidence in HMRC .....	118
4.6.4 Favourability and advocacy.....	120
4.7 Perceptions of compliance .....	122
4.7.1 Acceptability and extent of tax evasion .....	123
4.7.2 Acceptability and extent of tax avoidance .....	124
4.7.3 Effectiveness of HMRC in preventing or reducing tax avoidance .....	126
4.8 Making Tax Digital.....	127
4.8.1 Awareness of MTD.....	128
4.8.2 Benefits associated with MTD .....	129
4.8.3 How Small Businesses submit VAT returns .....	131
5.Agents.....	133
5.1 Chapter Summary .....	133
5.2 Profile of Agents and their interactions with HMRC.....	133
5.2.1 Business characteristics.....	134
5.2.2 Membership of professional organisations .....	137
5.2.3 Channels used to interact with HMRC.....	138
5.3 Use of Government Covid-19 support schemes.....	141
5.4 Customer experience .....	143
5.4.1 Telephone, online services and webpages .....	143
5.4.2 Satisfaction with payment methods available .....	146
5.4.3 Overall rating of customer experience.....	148
5.4.4 Primary areas for improvement .....	150
5.5 Views on administration of the tax system .....	162
5.5.1 Ease of dealing with tax issues and fairness.....	162
5.5.2 Personalisation of services and the extent to which online services are joined up.....	165
5.5.3 Empathy .....	167

5.5.4 Accountability .....	169
5.6 Perceptions of HMRC's Reputation.....	171
5.6.1 Efficiency, effectiveness and fairness.....	171
5.6.2 Protection of personal information.....	175
5.6.3 Overall confidence in HMRC .....	176
5.6.4 Favourability and advocacy.....	178
5.7 Perceptions of compliance .....	180
5.7.1 Acceptability and extent of tax evasion and perceptions on levels of detection .....	180
5.7.2 Acceptability and extent of tax avoidance .....	182
5.7.3 Effectiveness of HMRC in preventing or reducing tax avoidance .....	183
5.8 Making Tax Digital.....	184
5.8.1 Awareness of July 2020 announcement.....	185
5.8.2 Whether Agents have plans to speak to clients about the July 2020 announcement .....	185
5.8.3 How the business submits VAT returns.....	187

# 1. Executive summary

HM Revenue and Customs (HMRC) is the UK's tax, payments and customs authority. Its vision is to be a world-class organisation underpinned by its values of professionalism, integrity, respect and innovation.

HMRC commissioned the Individuals, Small Business and Agents Customer Survey in 2015 to provide the customer understanding to support the Department's plan<sup>1</sup> to collect the money that pays for the UK's public services and help families and individuals with targeted financial support, and to chart customer experience over time. The survey is a key source of robust, balanced evidence on customer experience and perceptions of the tax administration system. The survey covers three groups: Individuals, Small Businesses and Agents. The three survey groups are surveyed and reported on separately. This report covers the sixth annual survey, conducted between September and December 2020. Only changes from previous years that are statistically significant at the 95% confidence interval are reported on. Due to the change in survey method for Individuals in 2018, no comparative scores are provided for previous waves.

## 1.1 Individuals

The survey of Individuals covers all members of the general public aged 16 or older. In 2020, two-thirds (69%) of Individuals had an interaction with HMRC in the previous 12 months. Half (51%) of Individuals had an online interaction (used an online service, including the Personal Tax Account, or looked for information on HMRC webpages), which was an increase from previous years. About two in ten (19%) customers had contact with an HMRC telephone helpline and just over three in ten (33%) made or received contact with HMRC by post.

Fieldwork took place between September and December 2020, during which Government Covid-19 support schemes were available. During that time, one in eight (16%) Individuals reported that they had been either furloughed or used the Self-Employment Income Support Scheme (SEISS).

### 1.1.1 Customer experience

Individuals were asked about the channels they used to contact HMRC. Amongst customers who used the following contact channels, the Personal Tax Account (74%), webpages (75%) and HMRC's other online services (72%) were rated more positively than the telephone helpline (61%).

The proportion of Individuals who had an interaction with HMRC in the previous 12 months and rated a positive overall experience has increased (68% in 2020, up from 63% in 2019). This increase was driven by those who used any online channel (from 62% to 71%), those using a PTA (from 62% to 70%), those in full-time employment (from 58% to 68%) and among younger respondents aged 16-34 (61% to 69%).

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<sup>1</sup> This link takes you to the government website where you can find HMRC's single departmental plan 2015 to 2020: <https://www.gov.uk/government/publications/hmrc-single-departmental-plan-2015-to-2020/single-departmental-plan-2015-to-2020>



Key Driver Analysis (KDA) was conducted to understand which dimensions of customer experience are most important in driving overall customer experience. The relative importance levels were then compared with current HMRC performance on each dimension in order to identify areas where further improvements would be most likely to improve the overall customer experience. This analysis was conducted for each customer group.

Primary areas for improvement for Individuals, where improvements to ratings would have the biggest impact on overall customer experience, were:

- HMRC resolving any queries or issues (63% were positive)
- the acceptability of time taken to reach the end result (63%)

Positive ratings for acceptability of time taken to reach the end result have increased since 2019. This increase was driven by those who used any online channels (56% in 2019 up to 67% in 2020), PTA users (54% in 2019 up to 69% in 2020) and those aged 16 to 34 (56% in 2019 up to 65% in 2020).

Just over seven in ten (73%) Individuals who had interactions felt that HMRC treated them fairly. Over a half of Individuals who had interacted with HMRC rated them positively on ease of dealing with tax issues (59%). This rating was stable compared to 2019. Half (52%) of Individuals agreed that HMRC's services were personalised to them, and six in ten agreed that HMRC online services were joined up (60%).

Over half of Individuals (55%) felt that their personal circumstances were taken into account during their interactions with HMRC. Half of Individuals (51%) believed that HMRC would help to resolve an unintentional error.

Fifteen per cent of Individuals believed that HMRC had made an error in their tax. Amongst those, over four in ten (45%) gave a positive rating for how they felt HMRC had resolved the error.

### 1.1.2 Perceptions of HMRC

All Individuals were asked about their broader perceptions of HMRC as an organisation, and their attitudes to compliance.

#### **Reputation**

Over a half (53%) of Individuals were confident in how HMRC did its job, an increase since 2019 (48%). The increase was driven by:

- Individuals aged 34 or younger (46% in 2019 up to 55% in 2020), who had previously driven the decrease in positive ratings between 2018 and 2019
- part-time workers (46% in 2019 up to 57% in 2020)
- the self-employed (positive ratings increased from 47% up to 57%)
- those who did not use any external help in their dealings with HMRC (positive ratings increased from 48% to 55%)

A third of Individuals felt HMRC were efficient (that is they are an efficient organisation that does not waste money) (32%). Just under four in ten (37%) felt that they were fair (that they apply

penalties and sanction equally for all customers). Four in ten (41%) felt HMRC was effective (that they ensure all of their customers pay/receive the correct amount of tax). Two-thirds (66%) of Individuals were positive about HMRC ensuring customer data and personal information was treated confidentially.

Individuals who had a positive rating of their overall experience, or agreed that HMRC were efficient, effective or fair were more likely to be confident in HMRC. Individuals who interacted with HMRC in the last 12 months were also more likely to be positive about these measures, as were those who felt HMRC took their personal circumstances into account.

### **Compliance**

Over eight in ten Individuals (83%) felt tax evasion was never acceptable and three quarters (74%) felt it was widespread.

Eight in ten (79%) felt tax avoidance was never acceptable and three quarters (76%) felt it was widespread. A half (48%) thought it likely that HMRC was effective in its efforts to prevent tax avoidance, the same proportion disagreed.

## **1.2 Small Businesses**

Small Businesses were defined as businesses with an annual turnover under £10 million and between 0 and 19 employees. This includes self-employed sole traders.

Eight in ten (84%) had online contact with HMRC, with nearly half (48%) using the Business Tax Account and three quarters (73%) using the webpages on gov.uk. Half (51%) had contact by post and nearly three in ten (28%) had contact by telephone.

Fieldwork took place between September and November 2020, during which Government Covid-19 support schemes were available to Small Businesses. During that time, three-quarters (76%) of Small Businesses applied for at least one Government Covid-19 support scheme, and almost all of those who applied were granted support (96%).

### **1.2.1 Customer Experience**

Small Businesses were asked about the channels they used to contact HMRC. Amongst customers who used the following contact channels, eight in ten (82%) rated the Business Tax Account positively, over three quarters (76%) rated HMRC's webpages positively and nearly eight in ten (79%) rated other online services positively. Ratings of online services increased since 2019. They remain higher than the rating of telephone helplines, with just over six in ten (61%) rating these positively.

The proportion of Small Businesses who had an interaction with HMRC over the previous 12 months and rated a positive overall experience has increased (82% in 2020, up from 75% in 2019). Those who had applied to use a government Covid-19 support scheme had a more positive view on their overall experience with HMRC. Similar to previous years, positive ratings of HMRC were generally higher among the smallest businesses (those with turnover of up to £40k) and those that interacted with HMRC online only. The ratings of all dimensions of customer experience increased since 2019.

Primary areas for improvement for Small Businesses, where improvements to ratings would have the biggest impact on overall customer experience, were:

- HMRC resolving any queries or issues (76%)
- ease of finding information (68%)

Over eight in ten Small Businesses felt that HMRC treated them fairly (85%), an increase from 2019. Three-quarters (77%) felt that it was easy to deal with tax issues. Nearly six in ten Small Businesses felt that HMRC's services were personalised to them (59%) and two-thirds felt online services were joined up (68%). Positive ratings for all three of these measures have increased since 2019.

Over seven in ten (75%) Small Businesses were positive about HMRC's systems integrating with the way they managed their business tax affairs. Two-thirds (66%) felt HMRC recognised that their business was their priority, which was an increase from 2019 (59%).

Two-thirds of Small Businesses (69%) felt that their personal circumstances were taken into account during their interactions with HMRC. Just over six in ten (63%) believed that HMRC would help to resolve an unintentional error.

Under one in ten (8%) Small Businesses believed that the HMRC had made an error in their tax. Of those, four in ten (40%) gave a positive rating for how they felt HMRC had resolved the error.

## 1.2.2 Perceptions of HMRC

### Reputation

Confidence in HMRC among Small Businesses increased to 71%, up from 61% in 2019. Just over four in ten (42%) Small Businesses felt HMRC were efficient (that is they are an efficient organisation that does not waste money), which was an increase from 2019 (35%). Nearly six in ten (58%) Small Businesses felt that HMRC were effective (that is they ensure all their customers pay/receive the correct amount of tax) (up from 51% in 2019). Four in ten (41%) were positive about HMRC being fair (that is they apply penalties and sanctions equally for all customers) (up from 35% in 2019). Eight in ten (80%) agreed that HMRC ensured customers' data and personal information was treated confidentially (up from 74% in 2019).

Small Businesses that gave positive ratings for their perceptions of HMRC efficiency, effectiveness, fairness and empathy were more likely to be confident in HMRC than those with negative perceptions. Just over seven in ten (72%) Small Businesses had a favourable overall opinion of HMRC, which increased from 67% in 2019.

### Compliance

Nine in ten (89%) Small Businesses felt that tax evasion was never acceptable and one in three felt it was widespread (32%).

Over seven in ten (73%) stated that tax avoidance was never acceptable and four in ten felt tax avoidance was widespread (38%). Three in five (60%) Small Businesses thought HMRC was effective in preventing or reducing tax avoidance.

## 1.2.3 Making Tax Digital

HMRC's ambition is to become one of the most digitally advanced tax administrations in the world, modernising the tax system to make it more effective, efficient and easier for customers to comply. Making Tax Digital (MTD) will make it easier for businesses to get their tax right first time and manage their tax affairs in real-time. Under MTD for VAT, businesses with a taxable turnover above the VAT threshold (currently £85,000) have been required to keep VAT records digitally and submit their VAT returns directly from their software, for VAT periods starting on or after 1<sup>st</sup> April 2019. The survey included all Small Businesses and therefore not all those surveyed were affected by these changes. VAT registered businesses with turnover below the VAT threshold are not required to use MTD but can choose to do so voluntarily.

In July 2020, HMRC set out its roadmap for the further rollout of MTD, with the expansion of mandatory MTD for all those paying VAT from April 2022 and the introduction of mandatory MTD for Income Tax Self-Assessment (ITSA) from April 2023. In 2020, Small Businesses were asked about their awareness of these changes, and just over half of Small Businesses (53%) reported that they were aware. Six in ten (61%) of the businesses who will be impacted by the changes in 2022 (those who pay VAT but are below the VAT threshold) were aware of the changes, as were 44% of those who will be impacted in 2023 (those with a turnover of £10,000 or more who pay ITSA).

All Small Businesses that had heard of changes announced in July 2020 were asked what benefits, if any, they saw for their business. Nearly four in ten (37%) of these Small Businesses felt there would be no benefits. Over two in ten (22%) felt that the changes will "make submitting my tax information faster", and 8% reported "reducing the risk of error in my tax return".

Small Businesses that said they paid VAT were asked how their business submits VAT returns. Nearly seven in ten (68%) paid VAT using third party software compatible with MTD, and this has increased from 59% in 2019.

## 1.3 Agents

Agents are paid by customers – individuals or businesses – to represent them in dealings with HMRC. Nearly six in ten Agents (57%) were accountants and a third (32%) were bookkeeping firms.

Over half (58%) of Agents had fewer than 50 clients, a quarter (26%) had 50 to 249 clients, and less than one-in five (16%) had 250 or more clients. Two-thirds (64%) of Agents were members of a professional organisation.

Fieldwork took place between September and November 2020, during which Government Covid-19 support schemes were available to Agents. During that time, nearly two-thirds (63%) of Agents applied for at least one Government Covid-19 support scheme for their business.

### 1.3.1 Customer Experience

Agents were asked about the contact channels they used to contact HMRC on behalf of their clients. There was an increase in the proportion of Agents who interacted with HMRC online only (25% in 2020, up from 21% in 2019).

Three quarters of Agents (74%) gave a positive rating of HMRC online services, an increase from 61% in 2019. Two-thirds (64%) were positive about HMRC's webpages, up from 54% in 2019.

Half (57%) of Agents gave a positive rating of the dedicated Agents telephone helpline, a decrease from 61% in 2019. Although Agents were less positive about other HMRC helplines compared with ratings of the dedicated helpline, there was an increase in positive ratings since 2019 (35%, up from 30%). Smaller Agents were more likely to give a positive rating for the dedicated Agents helpline and other HMRC telephone helplines.

The proportion of Agents with a positive overall experience of dealing with HMRC, on behalf of their clients, in the previous 12 months increased (61% in 2020, up from 51% in 2019). There was also an increase in positive ratings for all measures of customer experience since 2019.

Nearly two-thirds (63%) of Agents applied for at least one Government Covid-19 support scheme, and the majority of these (95%) were granted support. Since Agents were asked about their own use of Government Covid-19 support schemes, but the customer experience questions were asked about their dealing on behalf of clients, it is not possible to consider the impact of Covid-19 support schemes on experience of dealing with HMRC.

Primary areas for improvement for Agents, where improvements to ratings would have the biggest impact on overall customer experience, were:

- HMRC resolving any queries or issues (53%)
- acceptability of time taken to reach the end result (41%)

Three quarters (76%) of Agents felt that HMRC treated their clients fairly, an increase from 2019 (66%). There was also an increase in the proportion of Agents that were positive about the ease of dealing with tax issues (55% in 2020, up from 50% in 2019). Half of Agents agreed that online services were joined up (49%, up from 41% in 2019) and that services were personalised to them and their clients (50%, an increase from 41% in 2019).

Over half (57%) of Agents felt that HMRC took their clients' circumstances into account. Just over six in ten (63%) believed that HMRC would help to resolve an unintentional error.

Four in ten (37%) Agents believed that HMRC had made an error in their clients' tax. Four in ten (41%) gave a positive rating for how they felt HMRC had resolved the error.

### 1.3.2 Perceptions of HMRC

#### **Reputation**

Confidence in HMRC among Agents has increased to 57% in 2020 (up from 45% in 2019). Agents that gave positive ratings of their overall experience, positive ratings of HMRC efficiency, effectiveness and fairness, were more likely to be confident in HMRC. Over six in ten (64%) Agents had a favourable overall opinion of HMRC, an increase from 57% in 2019.

Agents were a lot more likely to agree that HMRC were effective (54%) than efficient (27%). However, ratings of HMRC efficiency increased from 2019 (27% up from 22% in 2019). Over three quarters (76%) agreed that HMRC treated their clients fairly, up from 66% in 2019. Eight in ten Agents (83%) agreed that HMRC ensures customer data and personal information is treated confidentially, an increase from 79% in 2019.

#### **Compliance**

Over nine in ten (93%) Agents believed tax evasion is never acceptable. Nearly half thought that tax evasion was widespread (47%), up from 42% in 2019.

Three in five (60%) felt that tax avoidance is never acceptable. Half felt tax avoidance was widespread (52%), up from 46% in 2019. A similar proportion (60%) thought HMRC was effective in preventing or reducing tax avoidance.

### 1.3.3 Making Tax Digital

As discussed in Section 1.2.3 HMRC's ambition is to become one of the most digitally advanced tax administrations in the world, modernising the tax system to make it more effective, efficient and easier for customers to comply. Making Tax Digital (MTD) will make it easier for businesses to get their tax right first time and manage their tax affairs in real-time. Under MTD for VAT, businesses with a taxable turnover above the VAT threshold (currently £85,000) have been required to keep VAT records digitally and submit their VAT returns directly from their software, for VAT periods starting on or after 1<sup>st</sup> April 2019.

In July 2020, HMRC set out its roadmap for the further rollout of MTD, with the expansion of mandatory MTD for all those paying VAT from April 2022 and the introduction of mandatory MTD for Income Tax Self-Assessment (ITSA) from April 2023. Agents were asked about their awareness of these changes. Eight in ten (82%) of the Agents knew about these changes, with accountancy firms more likely to say they knew a lot (47%). Half (50%) said they had already spoken to their clients about the July announcement, and a further quarter (27%) said they were planning to do so.

Agents were asked how their business submits VAT returns. Agents most commonly used third party software compatible with Making Tax Digital (MTD) (69%).

## 2. Introduction

### 2.1 Background

HM Revenue and Customs (HMRC) is the UK's tax, payments and customs authority. It collects the money that pays for the UK's public services and helps families and individuals with targeted financial support. Its vision is to be a world-class organisation underpinned by its values of professionalism, integrity, respect and innovation.<sup>2</sup>

HMRC commissioned the Individuals, Small Business and Agents Customer Survey in 2015 to provide customer understanding to support the Department's mission to collect the money that pays for the UK's public services and help families and individuals with targeted financial support, and track progress in this area over time. The survey is a key source of robust, balanced evidence on customer experience and perceptions of the tax administration system. It provides evidence which contributes to measuring HMRC's performance against the Department's 2015 Strategic Objectives to maximise revenues due and bear down on avoidance and evasion, transform tax and payments for customers and design and deliver a professional, efficient and engaged organisation. (Performance measures are based on Spending Review 2015 Objectives, which were the current objectives at time of interviewing and survey development). HMRC's Annual Report and Accounts provides information on the Department's customer service performance.<sup>3</sup>

### 2.2 Research aims

The survey aims to:

- understand and track changes in overall customer experience over time
- understand and track changes in overall perceptions of HMRC over time
- help HMRC identify where to focus effort to improve customer experience

This report presents findings covering five years of the survey from 2015 (2015<sup>4</sup>, 2016<sup>5</sup>, 2017<sup>6</sup>, 2018<sup>7</sup>, 2019<sup>8</sup> and 2020) for each customer group. For the Small Businesses and Agents surveys,

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<sup>2</sup> For more information this link takes you to the government website where you can find HMRC's Single Departmental Plan: <https://www.gov.uk/government/publications/hm-revenue-and-customs-single-departmental-plan> and this link takes you to the government website where you can find the HMRC strategy:

<https://www.gov.uk/government/publications/hmrc-strategy>

<sup>3</sup> For more information this link takes you to the government website where you can find HMRC's annual report and accounts: <https://www.gov.uk/government/collections/hmrcs-annual-report-and-accounts>

<sup>4</sup> This link takes you to the government website where you can find the report for the 2015 survey:

<https://www.gov.uk/government/publications/hm-revenue-and-customs-individuals-small-businesses-and-agents-customer-survey-2015>

<sup>5</sup> This link takes you to the government website where you can find the report for the 2016 survey:

<https://www.gov.uk/government/publications/hm-revenue-and-customs-individuals-small-businesses-and-agents-customer-survey-2016>

<sup>6</sup> This link takes you to the government website where you can find the report for the 2017 survey:

<https://www.gov.uk/government/publications/hmrc-individuals-small-businesses-and-agents-customer-survey-2017>

<sup>7</sup> This link takes you to the government website where you can find the report for the 2018 survey:

<https://www.gov.uk/government/publications/hmrc-individuals-small-business-and-agents-customer-survey-2018>

<sup>8</sup> This link takes you to the government website where you can find the report for the 2019 survey:

<https://www.gov.uk/government/publications/hmrc-individuals-small-business-and-agents-customer-survey-2019>

the report will be looking at both changes between 2019 and 2020, and change over the length of the survey (2015 to 2020). 2016, 2017 and 2018 figures may be referenced throughout. Only changes from previous years that are statistically significant are reported on. Due to the change in survey method for the Individuals survey in 2018, only changes between 2019 and 2020 are reported on. There is no comparison over the length of the survey for Individuals.

## 2.3 Methodology

### 2.3.1 Customer Groups

The survey covers three separate customer groups: Individuals, Small Businesses and Agents. Each group is surveyed separately and results reported separately.

#### Individuals

The survey of Individuals covers all members of the general public aged 16 or older. It was agreed during the survey design that self-employed sole traders are both a valid subset of the Individuals population and a valid subset of the Small Businesses population. Self-employed people have a dual relationship with HMRC, first as private citizens who pay tax/receive benefits (including on earnings from their business and other non-business related savings and investments) and second as business owners. Although the two relationships will inevitably be entwined so far as these individuals are concerned, exclusion of the self-employed sub-group from either the Individuals or Small Businesses customer groups would lead to under-coverage of the affected group.

Individuals who reported having any interaction with HMRC in the previous 12 months were asked to rate their experiences of HMRC on a number of dimensions. All Individuals (including those who did not report having any interactions were asked about their perceptions of HMRC.

In 2020, the survey followed a random probability Address Based Online Surveying (ABOS) method, as was the case in 2018 and 2019. The ABOS approach involves:

- drawing a random sample of addresses from Royal Mail's Postcode Address File (PAF)
- sending each household from this random sample an invitation letter to take part in an online survey
  - up to three adults per household were invited to take part and unique survey logins were provided
- one invitation and up to three reminders were sent to households. The reminders were issued two, four and seven weeks after the initial invite
- paper questionnaires were available on request (for households where someone was unable or unwilling to take part online), and were included for a random subset of households in the second reminder mailing. In total, 661 out of the 2,994 Individuals surveys were from a paper questionnaire
- in previous years, any household that was identified as having an adult aged 16 to 24 in their questionnaire responses, but where no adult aged 16 to 24 has completed a questionnaire were sent a third reminder. This was to increase the number of adults aged 16 to 24 taking part in the survey. In 2020, the number of adults that took part was high,



including the number of adults aged 16 to 24. Due to this, the third reminder was omitted this year.

- participants were offered a £5 shopping voucher upon completion of each questionnaire.
- the online survey was accessible on all devices including laptops, tablet computers and smartphones

### **Small Businesses**

Small Businesses are defined as having a turnover of under £10m and between 0 and 19 employees. It is important to note that there is some overlap with the HMRC Mid-Size Business Customer Survey sample; the Mid-Size Business sample was de-duped against the Small Business sample. Any duplicate records were removed from the mid-size business sample.

Small Businesses were surveyed at the enterprise level (rather than the local unit/site level) as most Small Businesses are based at a single site.

The survey used two sample sources:

- the Office for National Statistics' Inter-Departmental Business Register (IDBR) was used to cover businesses that operated a PAYE scheme or had a turnover above the VAT threshold
- HMRC's Self-Assessment (SA) database was used to cover businesses below the VAT threshold. HMRC defined Self-Assessed Small Businesses as eligible if they had a turnover above £8,650 per annum. (Please note, this has been increased since 2015 to reflect inflation over the period. Between 2015 and 2017 businesses from the SA database were eligible if they had a turnover above £8,000 per annum, for 2018 it was £8,400 and for 2019 this was £8,500)

The individual interviewed on behalf of the business was the owner, or a director or manager with overall responsibility for tax matters. Throughout the questionnaire, respondents were prompted to answer about their experience of dealing with HMRC on behalf of their business over the previous 12 months.

### **Agents**

Agents are defined as 'businesses that are paid to deal with the tax affairs of others'. Agents were sampled at the enterprise level (rather than the local unit/site level). This approach was taken for two main reasons. Firstly, it is consistent with the Small Business survey and similar HMRC customer surveys for mid-size and large businesses. Secondly, those entrusting their tax affairs to an Agent are entrusting them to an enterprise, not to a specific site within that entity.

The Agents sample frame was drawn from two sources:

- the IDBR (to cover Agents that operate a PAYE scheme or had a turnover above the VAT threshold) using Standard Industrial Classification (SIC) codes 69201: Accounting, and auditing activities, 69202: Bookkeeping activities or 69203: Tax consultancy
- HMRC's SA database of customers. In previous years of the survey, Agents in the SA database were identified using industry sector codes 6201 (chartered/incorporated accountants) and 6615 (auditors, bookkeepers, financial advisers and other accountants) whose revenue was below the VAT threshold. Sector codes are no longer entered for new

registrants on the SA database. Since 2018, Agents have been identified by screening for key words in the 'business description' section for each business in the SA database

- all Agents were asked a screening question to confirm that they are a professional financial agent who personally deals with HMRC on behalf of clients

The individual interviewed on behalf of the Agent firm was the owner or one of the directors or partners of the Agent firm. Throughout the questionnaire, Agents were prompted to answer about their experience of dealing with HMRC on behalf of clients over the previous 12 months.

### 2.3.2 Fieldwork methodology

The data collection method used for the Small Business and Agents customer groups was Computer Assisted Telephone Interviewing (CATI). Each interview lasted around 20 minutes.

The data collection method used for Individuals was Address Based Online Surveying (section 2.3.1).

Respondents for the survey were selected using random probability sampling. This is the most robust sampling method for ensuring survey findings are representative of all HMRC customers. It means that results are generalisable to the wider population. It also enables statistical techniques to be used on the results to provide confidence in the accuracy of the findings, and whether differences over time or between sub-groups are statistically significant, rather than a result of chance. A more detailed description of the methods is given in the separate Technical Annex.

Interviews were carried out with 2,994 Individuals (2,333 by online questionnaire, 661 by postal questionnaire), 2,700 Small Businesses and 2,351 Agents between 2 September and 14 December 2020.

In 2020, the fieldwork was conducted during the Covid-19 pandemic. The survey was live during the range of local and national lockdowns between October and December in the UK. Despite these circumstances, the survey reached the target number of overall responses required for robust analysis.

### 2.3.3 Comparability with previous Customer Survey

This survey compares results between 2015 and 2020 for Small Businesses and Agents. As discussed in section 2.2, due to a change in survey method for the Individuals survey, no comparisons with the 2015 Individuals are reported on. The comparisons reported on are between the 2019 and 2020 surveys.

HMRC previously conducted a different Customer Survey between 2008 and 2015.<sup>9</sup> However, the questionnaire, sample structure, approach and definition of the customer groups have all been substantially changed. Results are therefore not comparable with this previous survey.

### 2.3.4 Survey content

The survey covers the following areas:

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<sup>9</sup> This link takes you to the government website where you can find the report for the Customer Survey 2008 to 2015: <https://www.gov.uk/government/publications/hm-revenue-and-customs-customer-survey-2008-to-2015>

- interactions with HMRC in the previous 12 months
  - rating of customer experience (including rating of channels and online tools used)
  - section of questions measuring key dimensions of experience, based on the customer experience model (see section 2.3.5 below)
  - other measures of customer experience, reflecting the manner in which HMRC administers the tax system
    - Fairness
    - Personalisation
    - Ease of dealing with tax issues
    - Online services being joined-up
    - Ratings of payment methods provided by HMRC
    - Rating of customers' personal circumstance being taken into account
    - Opinion on whether HMRC would help resolve any unintentional errors
    - Whether HMRC made any errors and if yes, whether those were resolved
    - (Small Businesses only) Integration with HMRC
- perceptions of HMRC
  - general perceptions of HMRC
    - HMRC being an efficient, effective and fair organisation
    - Confidence in HMRC
    - Favourability and advocacy
    - Perceptions of compliance
- awareness and attitudes towards changes to digital record keeping announced in July 2022 (Small Businesses and Agents only)
- use of Government Covid-19 support schemes
- demographics

The questionnaires are included in the Technical Annex.

Individuals without interactions with HMRC over the previous 12 months were not asked about their customer experience, but were asked about their perceptions of HMRC and demographic characteristics. Agents and Small Businesses were asked to answer all sections.

### 2.3.5 Customer Experience Dimensions

The main section of questions measuring customer experience was a series of questions based on the customer experience model.

The model was developed based on qualitative research commissioned by HMRC in 2013<sup>10</sup> to look at what an ideal customer experience would look like if everything was working well. It was designed to examine which dimensions of experience were most and least important for a good quality customer experience. The model was designed to be relevant to the three customer groups

<sup>10</sup> This link takes you to the report for the qualitative research from 2013:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/344753/report285.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/344753/report285.pdf)

that were interviewed at the time in the previous customer survey (Individuals, Agents and Small and Medium-sized Enterprises (SMEs)). In 2020, the customer experience questions used to examine the importance of the dimensions of experience remained the same.

The customer experience questions in this survey were developed around the customer experience model to understand which dimensions were most important to customers in their real-life customer experience over the previous 12 months. The customer experience model questions asked about in the survey were:

- How good or poor were HMRC at getting tax/tax and benefits and credits transactions right?
- How would you rate the quality of information you have looked for or received from HMRC?
- How easy or difficult was it to find any information you needed on tax issues from HMRC?
- HMRC made clear:
  - What steps I needed to take
  - When everything was completed
- Were HMRC approachable / professional?
- How acceptable was the time taken to reach the end result?
- How good or poor were HMRC at resolving any queries or issues?
- Did HMRC have systems which were good at preventing me from making mistakes?

Customers were also asked to rate their overall experience of dealing with HMRC. Key Driver Analysis (KDA) was conducted on the customer experience model dimensions using multivariate analysis (multiple linear regression) enabling us to create a revised customer experience model for each customer group (see section 2.3.6). Section 7 of the accompanying technical report provides further details.

### 2.3.6 Key Driver Analysis

The Key Driver Analysis (KDA) enables us to understand which customer experience model dimensions are most important in relation to overall customer experience. By using regression analysis to understand how important each of the dimensions were in driving ratings of overall experience with how well HMRC performed on each of these dimensions, it is possible to identify the areas which are most important to address to maintain or improve overall experience.

The following explains how the customer experience model identifies areas of customer experience that would need improvement to increase ratings of overall experience.

- (a) Areas of experience that had been identified as dimensions of higher relative importance (i.e. their Relative Importance Score is above the median of all Relative Importance Scores) and lower performance (i.e. their Performance Scores are below the median of all Performance Scores) are the **primary areas to improve**;
- (b) Areas that had been identified as dimensions of lower relative importance (i.e. their Relative Importance Score is below the median of all Relative Importance Scores) and lower

performance (i.e. their Performance Scores are below the median of all Performance Scores) are the **secondary areas to improve**; and

- (c) Areas of higher relative performance (i.e. their Performance Scores are above the median of all Performance Scores) and in particular areas that have been identified as dimensions of higher relative importance (i.e. their Relative Importance Score is above the median of all Relative Importance Scores) are **areas to maintain** in order to keep ratings of the overall experience high.

## 2.4 Reporting notes

Many of the questions in the survey asked customers to rate their customer experience and perceptions of HMRC using a five point response scale, where five was the most positive response and one was the least positive response. Responses have been grouped into positive (a score of four or five), neutral (a score of three), and negative (a score of one or two). Respondents could also say 'Don't know' or 'Not applicable'. Respondents who said the question did not apply to them were excluded from the analysis of that dimension. Those who answered 'Don't know' or 'Refused' are included in the charts, unless no respondents gave this answer.

Where customers were asked to rate HMRC they were asked to give an overall opinion about all of their experiences of dealing with HMRC over the previous 12 months.

Each chart presented in the report is followed by an accompanying data table showing the same data added to provide additional accessibility. In some cases the data from a chart has been split into two separate corresponding tables (labelled a and b) for clarity.

Where percentages shown in charts or tables do not total to exactly 100% (or where they do not exactly total to a summary statistic given, such as agree/disagree) this is due to a combination of rounding to the nearest whole number and because some questions allowed participants to choose more than one response option.

Where the results for one group of respondents are compared with the results for another group, any differences discussed in the text of this report were statistically significant at the 95% probability level, unless otherwise stated. This means that we can be 95% confident that the differences observed between the sub-groups are genuine differences, and have not just occurred by chance. Similarly, any changes between years discussed in the text are statistically significant at the 95% probability level. The report covers changes between 2019 and 2020 and between 2020 and the baseline survey conducted in 2015. Significant differences between 2019 and 2020 are shown on each chart by an upwards (for an increase) or a downwards (for a decrease) arrow. The grey trend bar in each chart shows significant differences between 2015 and 2020. Where there were no changes since 2019, this is noted as no change in the report.

In the accompanying tables a column has been included labelled 'Sig. change from ...'. These columns identify statistically significant changes between 2020 and the year shown in the column. 'Yes' indicates that the difference was statistically significant at the 95% probability level and 'No' indicates that it was not. In some tables only the 2020 data is presented and for these tables, where there is a column showing significant differences, the direction of the change (either an increase or decrease) is indicated.

While the survey has been conducted each year since 2015, the majority of charts do not present 2016, 2017 and 2018 data. This is to highlight the comparisons between 2015 and 2020, and between 2019 and 2020.

As mentioned in section 2.3.1, comparison of results is only available between 2018 and 2020 in the Individuals survey due to changes in the data collection method. In this report, we just highlight changes over the last year.

Base sizes, displaying the number of people who gave a response to any question (excluding those who said that the question did not apply to them) are shown on each chart and table.

## 3. Individuals

### 3.1 Chapter summary

Fieldwork took place during the Covid-19 pandemic and a quarter (24%) of employees or full-time students reported they had been furloughed and 36% of self-employed Individuals received support through the Self-Employed Income Support scheme (SEISS). Just over half of all Individuals (55%) made use of the Eat Out to Help Out scheme.

Seven in ten Individuals (69%) had interacted with HMRC in the last 12 months, which was unchanged from 2019. There has been a shift away from telephone channels towards online compared to 2019, with an increase in online only channels from 28% to 36%, and a decrease in telephone only channels from 6% to 3%. Positive ratings of HMRC webpages increased since 2019 (from 67% to 75% in 2020) as did ratings of HMRC other online services (58% to 72%).

Nearly seven in ten (68%) of Individuals had a positive overall experience of dealing with HMRC, a rise from 63% in 2019. Overall experience was linked with contact channel used, with those using online only methods more likely to report a positive experience (75%) than those who mixed channels (63%).

In order to improve overall experience for Individuals, the primary areas for improvement are:

- resolving any queries or issues (63%)
- acceptability of time taken to reach an end result (63%)

Time taken to reach an end result improved by six percentage points since 2019. Additionally, positive ratings of ease of finding information have increased since 2019 from 51% to 57% in 2020 (secondary area for improvement). Clarity of the steps needed to be taken, which is an area for HMRC to maintain, has also improved since 2019, from 61% giving a positive rating to 65% in 2020.

Just over half of Individuals (53%) were confident in the way HMRC were doing their job, an increase from 48% in 2019. Confidence was strongly linked to views of HMRC's efficiency, effectiveness, and fairness.

The proportion of Individuals who felt tax avoidance was never acceptable has increased since 2019 from 74% to 79%. Linked to this, the proportion who felt tax avoidance is widespread has increased since 2019 (from 70% to 76% in 2020).

## 3.2 Profile of Individuals

This first section looks at the demographic profile of Individuals, including their payment of taxes and receipt of any state benefits and/or tax credits. It then examines the types of interaction Individuals had with HMRC, as well as their use of agents.

### 3.2.1 Demographic profile

There was an even split between males (49%) and females (51%). Individuals fell into the following age bands: 30% were aged 16-34, 32% were aged 35-54 and 38% were aged 55 or over. Nine in ten Individuals (90%) were White, while 10% were from all other ethnic groups combined. Three in ten Individuals (30%) had a long-standing physical or mental illness.

Just over six in ten (62%) were in paid work: 42% were working full-time, 11% were working part-time and 7% were self-employed. Just under four in ten (37%) were not in employment, including 21% who were retired from paid employment.

Of those who were in paid work, 3% received work via an online platform (such as CitySprint, Uber, Deliveroo etc.). Overall, 18% of those who received income via self-employment, through other private work or activities, or via an online platform said that payments were made to a limited company they owned or in which they had a significant shareholding.

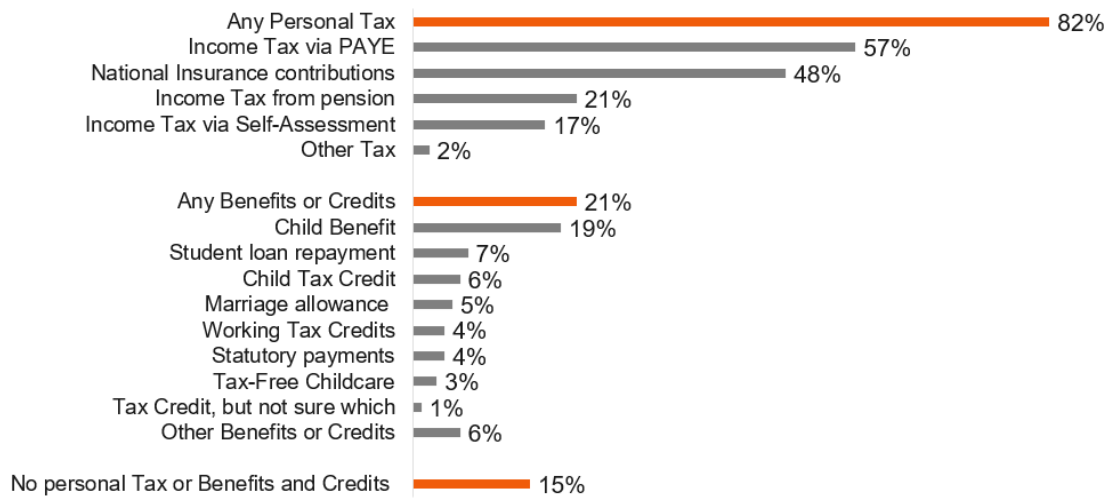
Just over six in ten (63%) reported having only one income source, while 33% reported multiple income sources. A small proportion reported having no income source except for state benefits and tax credits (2%).

### 3.2.2 Taxes paid and benefits and credits received

Individuals were asked which taxes they had paid, and which benefits and credits they had received, in the past 12 months. Four in five (82%) had paid personal taxes, and 21% had received benefits and credits, administered by HMRC. Overall, 15% reported doing neither of these in the past 12 months. The profile of Individuals in terms of taxes paid and benefits received is similar to the profile in 2019 (Chart 3.1 and Table 3.1).



**Chart 3.1 Taxes paid and benefits and credits received from HMRC – Individuals**



Q2tax1 Taxes paid in the last 12 months. Base: All respondents (excluding no answer): (Individuals: 2020: 2994) Q2tax2 Taxes paid and benefits received in the last 12 months. Base: All respondents (excluding no answer) (Individuals: 2020: 2983)

**Table 3.1 Taxes paid and benefits and credits received from HMRC – Individuals**

	<b>2020</b>
	<b>%</b>
<b>Any Personal Tax (Net)</b>	<b>82</b>
Income Tax via PAYE	57
National Insurance contributions	48
Income Tax from pension	21
Income Tax via Self-Assessment	17
Other Tax	2
<b>Any Benefits or Credits (Net)</b>	<b>21</b>
Child Benefit	19
Student loan repayment	7
Child Tax Credit	6
Marriage allowance	5
Working Tax Credits	4
Statutory payments	4
Tax-free Childcare	3
Tax Credit, but not sure which	1
Other Benefits or Credits	6
No personal Tax or Benefits or Credits	15

Q2tax1 Taxes paid in the last 12 months. Base: All respondents (excluding no answer): (Individuals: 2020: 2994) Q2tax2 Taxes paid and benefits received in the last 12 months. Base: All respondents (excluding no answer) (Individuals: 2020: 2983)

Age, working status and use of a Personal Tax Account (PTA) were associated with payment of personal taxes. The following groups were most likely to have paid personal taxes in the last 12 months:

- Individuals aged 35-54 (90% compared with 78% of those aged 16-34 and 77% of those aged 55+)
- those who were working full-time (99% compared with 91% of self-employed, 88% of those working part-time, and 59% of those not in employment)
- those who used a PTA (93% compared with 77% who did not use this)

Age, gender and working status were also associated with benefits and credits received:

- Individuals aged 35-54 were also more likely to have received benefits and credits in the last 12 months (41%) compared with those aged 16-34 (23%) or 55+ (4%)
- women were more likely than men to have received benefits and credits in the last 12 months (28% compared with 15% of men)
- those who were not in employment were least likely to have received benefits and credits from HMRC in the last 12 months (12%) compared with other groups (working full-time: 23%; part-time: 40%; self-employed: 27%)

### 3.2.3 Interactions with HMRC in previous 12 months

Individuals were asked whether they had any dealings with HMRC in the last year. Interaction with HMRC was defined as:

- claiming any of child benefit; working tax credits; child tax credits or any other tax credit (if respondent did not know what type)
- having contact with HMRC online via searching for information on the HMRC webpages on gov.uk; via the PTA; using any other online service or receiving an email from HMRC
- having contact by post; telephone; face to face or a text message from HMRC

Seven in ten Individuals (69%) said they interacted with HMRC in the last 12 months, which was unchanged from 2019. The following Individuals were most likely to have interacted with HMRC:

- those who were self-employed (92% compared with 77% of those working as an employee and 53% of those not working)
- those who paid personal tax (74% compared with 45% who did not)
- those aged under 55 (78% compared with 54% of those aged 55+)

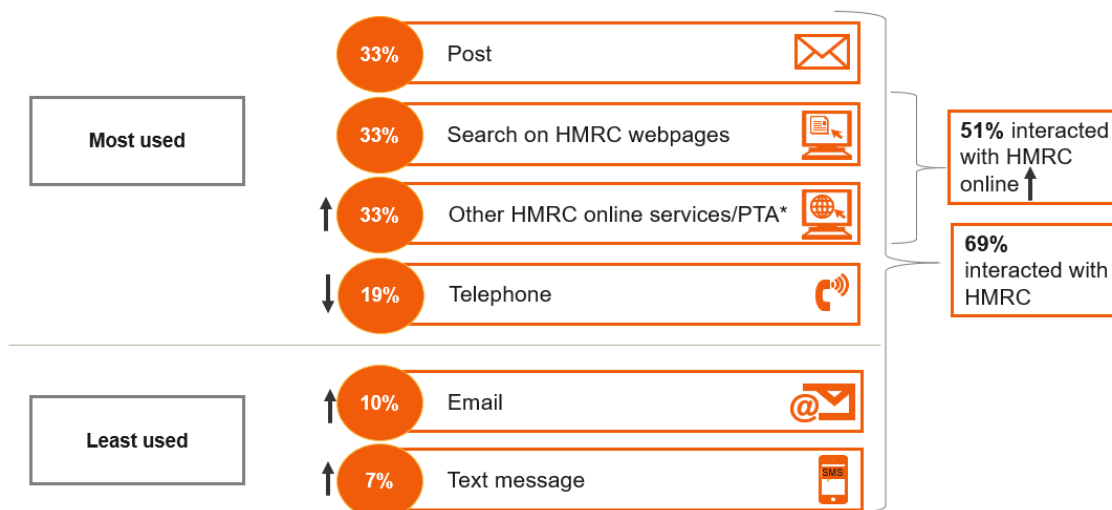
### 3.2.4 Channels used to interact with HMRC

Individuals were asked about the ways in which they interacted with HMRC in the last 12 months. Interactions were defined as making contact with HMRC, receiving information from HMRC, or using HMRC's online services.

Since 2019, there have been some changes in the overall profile of how Individuals interact with HMRC with increased use of online interactions and reduced use of telephone interactions. In 2020, around one in three interacted with HMRC by each of the following methods: post (33%); searching on HMRC's webpages (33%); and use of HMRC's online services (33%, up from 23% in 2019). About two in ten Individuals reported interacting with HMRC via telephone (19%, down from 23% in 2019).

Although email and text messaging were used by much smaller proportions of Individuals, the proportion of Individuals using these forms of communication has increased since 2019 (emails: 10%, up from 8%; text messages: 7% up from 5%) (Chart 3.2 and Table 3.2).

**Chart 3.2 Channels used to interact with HMRC - Individuals**



Q2cont1 Methods of online dealings with HMRC in last 12 months. Base: All respondents. (Individuals: 2992) Q2cont2 Methods of other dealings with HMRC in last 12 months. Base: All respondents. (Individuals: 2994) \*These figures combine responses to HMRC online services and Personal Tax Account. Arrows refer to changes between 2019 and 2020 surveys.

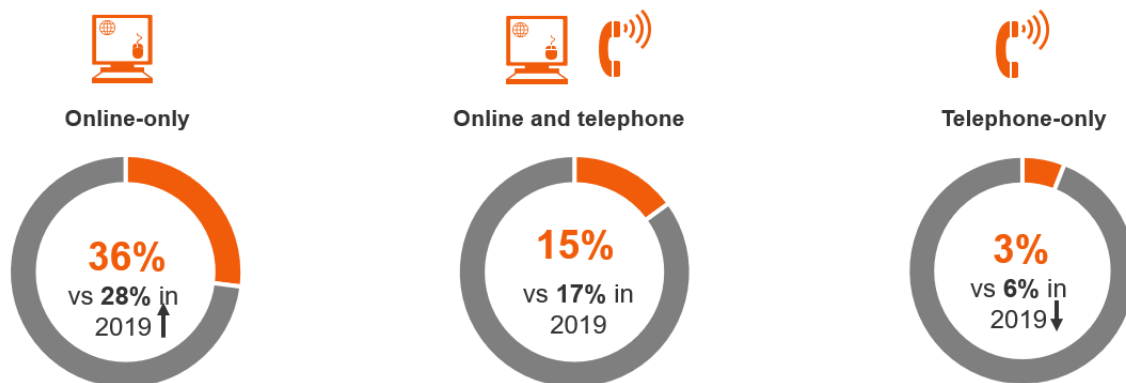
**Table 3.2 Channels used to interact with HMRC - Individuals**

	2020 %	Sig. change from 2019
Interacted with HMRC (Net)	69	No
Interacted with HMRC online (Net)	51	Yes, increase
<b>Most used</b>		
Post	33	No
Search on HMRC webpages	33	No
Other HMRC online services/PTA*	33	Yes, increase
Telephone	19	Yes, decrease
<b>Least used</b>		
Email	10	Yes, increase
Text message	7	Yes, increase

Q2cont1 Methods of online dealings with HMRC in last 12 months. Base: All respondents. (Individuals: 2992) Q2cont2 Methods of other dealings with HMRC in last 12 months. Base: All respondents. (Individuals: 2994) \*These figures combine responses to HMRC online services and Personal Tax Account.

When looking at broader levels of interaction Individuals had with HMRC in the last 12 months, the results again provide evidence of a shift away from telephone channels towards online, when results are compared with 2019. A half (51%) had interacted with HMRC using any online channel (which is defined as those who searched for information on the HMRC webpages, used a PTA or used any other HMRC online services), an increase from 45% in 2019. Overall, 36% (up from 28%) had interacted with HMRC solely through online channels, while 15% interacted with HMRC using both online and telephone channels. Overall, 3% (down from 6%) of Individuals interacted with HMRC by telephone and not online (Chart 3.3 and Table 3.3).

**Chart 3.3 Online and telephone channels of contact – Individuals**



Q2cont1 Methods of online dealings with HMRC in last 12 months. Base: All respondents. (Individuals: 2020: 2994; 2019: 2621) Q2cont2 Methods of other dealings with HMRC in last 12 months. Base: All respondents. (Individuals: 2020: 2994; 2019: 2617)

**Table 3.3 Online and telephone channels of contact – Individuals**

	2020 %	2019 %	Sig. change from 2019
Online-only	36	28	Yes
Online and telephone	15	17	No
Telephone-only	3	6	Yes

Q2cont1 Methods of online dealings with HMRC in last 12 months. Base: All respondents. (Individuals: 2020: 2994; 2019: 2621) Q2cont2 Methods of other dealings with HMRC in last 12 months. Base: All respondents. (Individuals: 2020: 2994; 2019: 2617)

The following types of Individuals were most likely to have interacted with HMRC through online channels only:

- those aged 35-54 (42% compared with 36% of those aged 16-34 and 29% of those aged 55+)
- those who were self-employed (55% compared with 41% of those who were working as an employee and 24% of those not working)
- those who had paid personal taxes in the last 12 months (40% compared with 17% who had not)

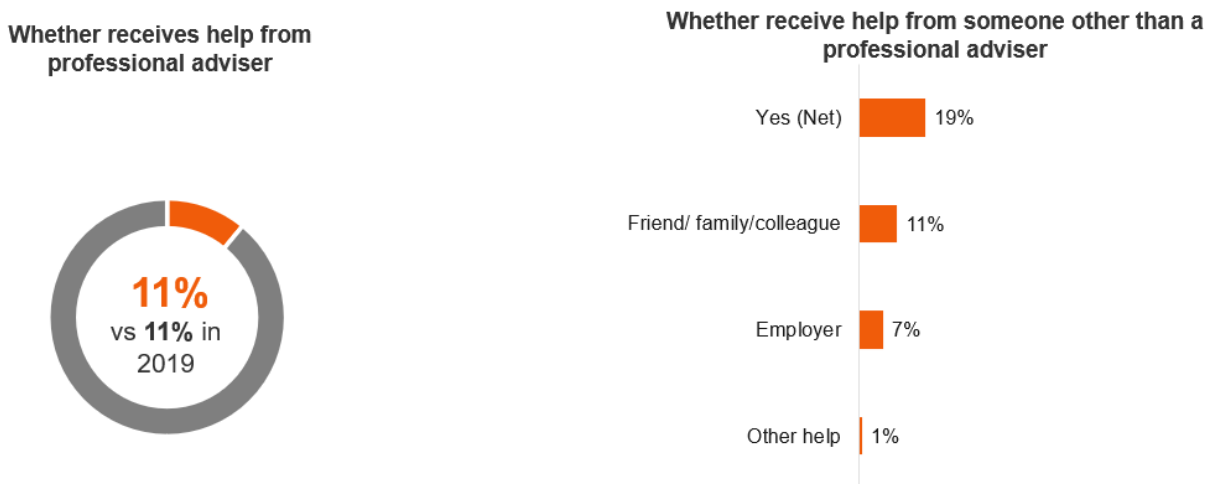
- those who used a professional adviser to help with tax affairs (50% compared with 35% who had not used a professional adviser)

### 3.2.5 Agent usage and ease of having an agent act on Individual’s behalf

Individuals were also asked whether they had help in their dealings with HMRC over the last 12 months.

A third (32%) of Individuals reported having help with their dealings with HMRC in the last 12 months; this was unchanged since 2019. Overall, one in ten (11%) had help from a professional adviser, and 11% had other help, such as from a friend, family member, or colleague (11%), or from their employer (7%) (Chart 3.4 and Tables 3.4a and 3.4b).

**Chart 3.4 Help received dealing with HMRC – Individuals**



Q1proad Whether pay a professional adviser to help with dealings with HMRC (2019: 2620; 2020: 2993) Q1help Whether receive help with their dealings with HMRC from someone other than a professional advisor. Base: All respondents: (Individuals: 2019: 2628; 2020: 2994)

**Table 3.4a Help received dealing with HMRC – Individuals**

	2020	2019	Sig. change from 2019
	%	%	
Whether receives help from professional adviser	11	11	No

Q1proad Whether pay a professional adviser to help with dealings with HMRC (2019: 2620; 2020: 2993)

**Table 3.4b Help received dealing with HMRC – Individuals**

	<b>2020</b>
	<b>%</b>
<b>Whether receives help from someone other than a professional adviser:</b>	
Yes (Net)	19
Friend/ family/ colleague	11
Employer	7
Other help	1

Q1 help Whether receive help with their dealings with HMRC from someone other than a professional adviser. Base: All respondents: (Individuals: 2020: 2994)

Use of a professional adviser was higher amongst Individuals who:

- were self-employed (48%) compared with all other groups (8%)
- had multiple income sources (18%) compared with those with a single income source (8%)
- were older (14% of those aged 35+ compared with 3% of those aged 16-34)
- had interacted with HMRC in the last 12 months (13% compared with 6% of Individuals with no interactions)

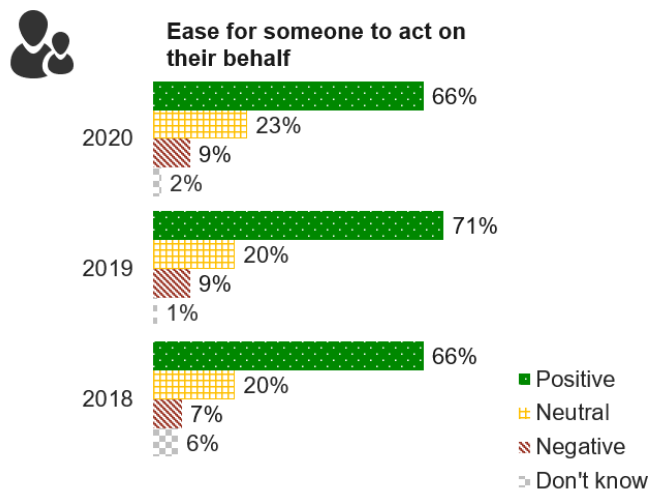
Support from someone other than a professional adviser (for example friends, family, employer) was highest amongst Individuals who:

- were aged 16-34 (25% compared with 13% of those aged 55 or older)
- were employed either full or part-time (21% compared with 14% who were self-employed)
- had a single source of income (21% compared with 14% of those with multiple sources of income)

Accepting that someone else can represent you is a Charter requirement from HMRC.<sup>11</sup> Two-thirds of Individuals (66%) who received any help in their dealings with HMRC said it was easy for someone else to act on their behalf – this includes Individuals who received help from a professional adviser, or from a friend / family member / colleague / employer or someone else. These findings remain in line with 2019 (Chart 3.5 and Table 3.5).

<sup>11</sup> This link takes you to the HMRC Charter: <https://www.gov.uk/government/publications/hmrc-charter>

**Chart 3.5 How easy HMRC made it for someone to act on their behalf – Individuals**



Q3behalf How easy HMRC made it for someone else to act on your business's behalf in last 12 months. Base Respondents who use a paid tax adviser or someone else to help deal with their tax affairs (excluding not applicable): (Individuals: 2018: 433; 2019:469; 2020: 614)

**Table 3.5 How easy HMRC made it for someone to act on their behalf – Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	66	71	66	No	No
Neutral	23	20	20	No	No
Negative	9	9	7	No	No
Don't know	2	1	6	No	No

Q3behalf How easy HMRC made it for someone else to act on your business's behalf in last 12 months. Base Respondents who use a paid tax adviser or someone else to help deal with their tax affairs (excluding not applicable): (Individuals: 2018: 433; 2019:469; 2020: 614)

Just over seven in ten (73%) of Individuals who paid a professional adviser to help them in their dealings with HMRC said that HMRC made it easy for someone to act on their behalf; less than one in ten of this sub-group (9%) found it difficult. Those who received help with their dealings from other sources were less likely to say it was easy for someone else to act on their behalf (61%) though they were as likely to find it difficult (9%).

Individuals in the following groups gave the highest ratings for ease of someone else acting on behalf of them when dealing with HMRC:

- those aged 35+ (71% compared with 55% of those aged 16-34)
- those who had interacted with HMRC through online only channels (74% compared with 52% who had contact online and by telephone)

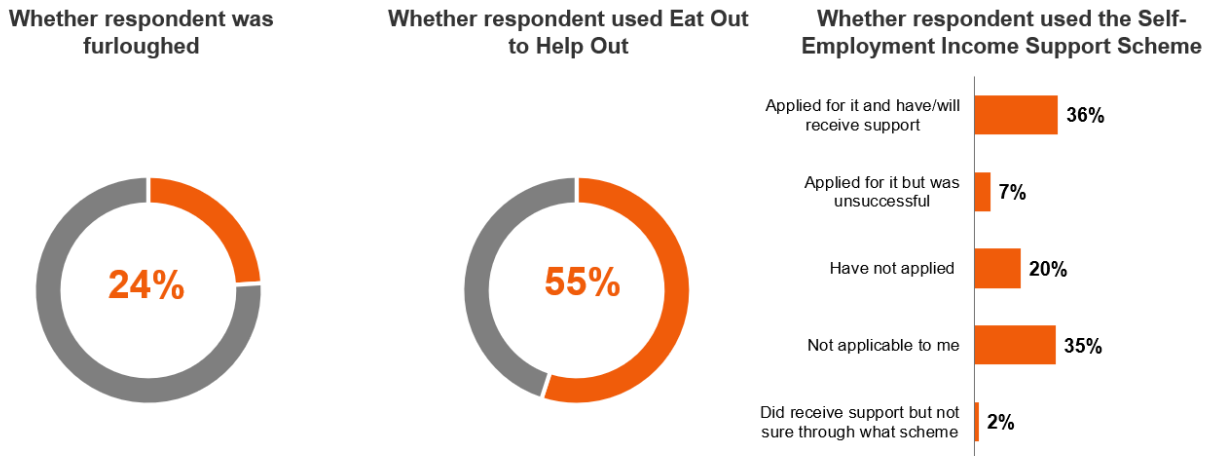


### 3.3 Use of Government Covid-19 support schemes

Fieldwork for the Individuals survey took place between September and November 2020, during which time a range of Government Covid-19 support schemes were available to Individuals. This section discusses Individuals' use of Government Covid-19 support schemes to support them during the pandemic. A quarter (24%) of employees or full-time students had been furloughed at some point since the introduction of the schemes. Among the self-employed, 36% had received support through the Self-Employment Income Support Scheme (SEISS) and a further 7% had applied for this but were unsuccessful. Overall, one in eight (16%) of all Individuals had been either furloughed or used the SEISS scheme.

In addition, just over half (55%) of Individuals had made use of the Eat Out to Help Out scheme when it was in operation (Chart 3.6 and Table 3.6).

**Chart 3.6 Use of Government Covid-19 support schemes – Individuals**



Q7Covid [employed]. Thinking about the government schemes which were designed to support you through the Covid-19 pandemic, were you furloughed, even for a short period of time? Base: Individuals who are paid for work or full-time students. (Individuals: 2020: 1503) / Q7Covid [self-employed] Thinking about the government schemes which were designed to support you through the Covid-19 pandemic, did you use the Self-Employment Income Support Scheme? Base: Self-employed Individuals (Individuals 2020: 210) QEOHO: The government introduced the Eat Out to Help Out scheme following the Covid-19 pandemic. Did you use the Eat Out to Help Out scheme in August 2020? Base: All respondents (excluding no answer) (Individuals 2020: 2983).

**Table 3.6 Use of Government Covid-19 support schemes – Individuals**

	<b>2020</b>
	<b>%</b>
Whether respondent was furloughed	24
Whether respondent used Eat Out to Help Out	55
<b>Whether respondent used the Self-Employment Income Support Scheme:</b>	
Applied for it and have/will receive support	36
Applied for it but was unsuccessful	7
Have not applied	20
Not applicable to me	35
Did receive support but not sure what scheme	2

Q7Covid [employed]. Thinking about the government schemes which were designed to support you through the Covid-19 pandemic, were you furloughed, even for a short period of time? Base: Individuals who are paid for work or full-time students. (Individuals: 2020: 1503) / Q7Covid [self-employed] Thinking about the government schemes which were designed to support you through the Covid-19 pandemic, did you use the Self-Employment Income Support Scheme? Base: Self-employed Individuals (Individuals 2020: 210) QEOHO: The government introduced the Eat Out to Help Out scheme following the Covid-19 pandemic. Did you use the Eat Out to Help Out scheme in August 2020? Base: All respondents (excluding no answer) (Individuals 2020: 2983).

Among employees and full-time students, younger Individuals aged 16-34 were more likely to have been furloughed than older people in this sub-group (28% of 16-34 year olds compared with 21% of those aged 35 or older).

Younger Individuals were also more likely to have used the Eat Out to Help Out scheme (68% of those aged 16-34 compared with 56% of 35-54 year olds and 43% of those aged 55 and over).

Individuals who were working (either full or part-time) were more likely to have used the Eat Out to Help Out scheme (61%) than those who were self-employed (47%) or not working (47%).

### 3.4 Customer experience

This section discusses Individuals' ratings of HMRC's contact channels, online tools and overall customer experience. The contact channels customers were asked to rate include the Personal Tax Account (PTA), methods provided by HMRC for payment and receipt, other HMRC online services, HMRC webpages and telephone helplines.

This section also examines specific dimensions of customer experience and identifies those areas which are primary areas for HMRC to improve customer experience as well as secondary areas to improve, or areas to maintain.

Finally, this section covers views of HMRC's tax administration: whether Individuals felt they were treated fairly; whether HMRC made it easy to deal with their tax issues; whether services were personalised; whether online services were thought to be joined-up; and whether HMRC is perceived as empathetic and accountable.

Only customers who had interacted with HMRC in the previous 12 months were asked to rate HMRC on these dimensions.

### 3.4.1 Use and rating of the Personal Tax Account

Individuals were asked about their use and awareness of the Personal Tax Account (PTA). Just under four in ten Individuals (37%) had heard of the PTA, and 27% had a PTA (no changes from 2019 - Chart 3.7 and Table 3.7). The following groups of Individuals were most likely to have a PTA:

- Individuals aged 35-54 (33% compared with 23% of those aged 16-34 and 24% of those aged 55+)
- the self-employed (57% compared with 16% of those who were not working, 31% of those working full-time and 24% of those working part-time)
- Individuals who had help from a professional adviser (47%) compared with 25% who had no help from a professional adviser

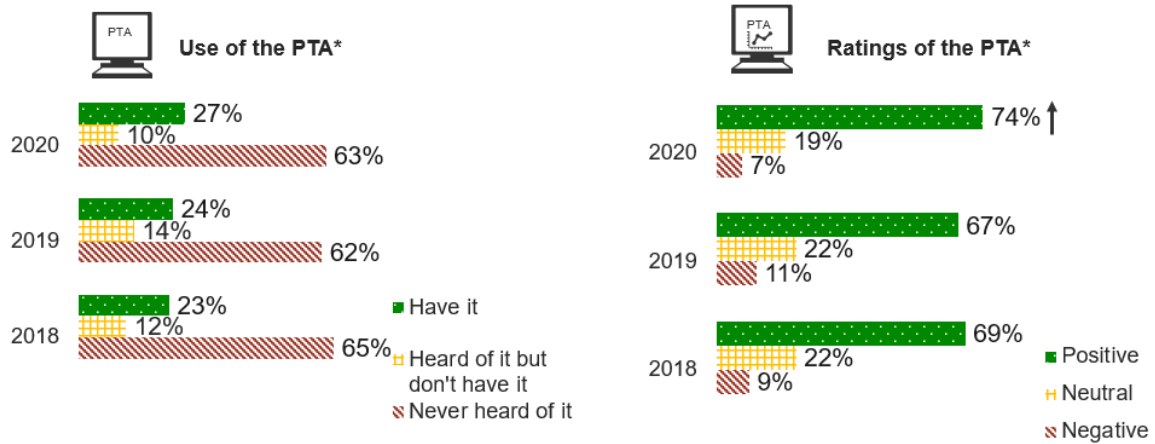
Three in four PTA users (74%) rated their experiences with the tool positively, an increase from 67% in 2019. This increase was mainly driven by a rise in satisfaction among those aged 35-54 (from 67% to 75%) and amongst those working full-time (from 65% to 75%). The rise in ratings is in line with those seen in HMRC performance data<sup>12</sup>, where customer satisfaction for the PTA account rose 2.7 percentage points between 2019 to 2020.

Positive ratings of the PTA were higher amongst those only using online only channels (78%) compared with those who used both online and telephone channels (64%). Those who used a professional adviser were less likely to give a positive rating (60%) than those who had other help (75%) or no help (77%).

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<sup>12</sup> This link takes you to HMRC's annual report and accounts for 2019 to 2020: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/932874/HMRC\\_Annual\\_Report\\_and\\_Accounts\\_2019\\_to\\_2020\\_\\_Print\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932874/HMRC_Annual_Report_and_Accounts_2019_to_2020__Print_.pdf)

**Chart 3.7 Use and rating of the PTA – Individuals**



Q2PTA Before today, had you heard of the Personal Tax Account? Base: All respondents (2018: 2676; 2019: 2621; 2020: 2990); Q2contexp You said you had contact with HMRC [by telephone / by telephone and online / online]. Please rate your experiences over the last 12 months of: [The HMRC Personal Tax Account] Respondents who have a PTA (2018: 650; 2019: 640; 2020: 800)

**Table 3.7 Use and rating of the PTA – Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
<b>Use of the PTA*</b>					
Have it	27	24	23	No	No
Heard of it but don't have it	10	14	12	No	No
Never heard of it	63	62	65	No	No
<b>Ratings of the PTA*</b>					
Positive	74	67	69	Yes	No
Neutral	19	22	22	No	No
Negative	7	11	9	No	No

Q2PTA Before today, had you heard of the Personal Tax Account? Base: All respondents (2018: 2676; 2019: 2621; 2020: 2990); Q2contexp You said you had contact with HMRC [by telephone / by telephone and online / online]. Please rate your experiences over the last 12 months of: [The HMRC Personal Tax Account] Respondents who have a PTA (2018: 650; 2019: 640; 2020: 800)

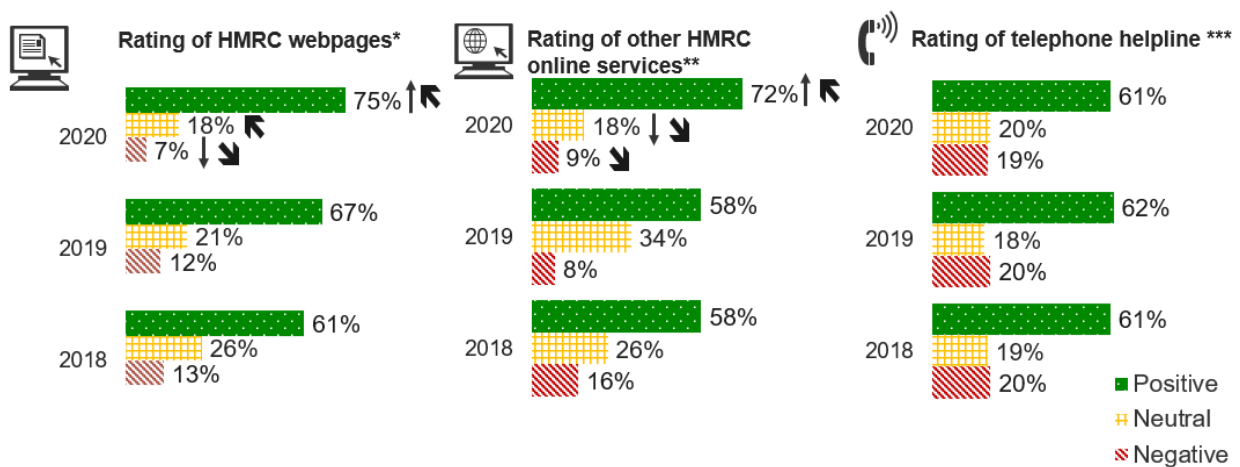
### 3.4.2 Rating of services – webpages, other online services and telephone

Individuals who used other HMRC online services, HMRC webpages and telephone to contact HMRC in the last 12 months were also asked to rate their experience.

The HMRC telephone helpline was rated positively by around six in ten Individuals who had used this in the last 12 months (61%, no change since 2019). The HMRC performance data shows<sup>13</sup> an increase in the average call waiting times between 2018-2019 and 2019-2020, which may explain why there is no increase in ratings of the helpline between the same period.

Ratings for digital services among those who had used them increased between 2019 and 2020. HMRC webpages were rated positively by 75% of Individuals (up from 67% in 2019) while HMRC online services were rated positively by 72% (up from 58% in 2019 - Chart 3.8 and Table 3.8).

**Chart 3.8 Rating of HMRC channels – Individuals**



Q2contexp You said you had contact with HMRC [by telephone / by telephone and online / online]. Please rate your experiences over the last 12 months of: Base: Respondents who dealt with HMRC by telephone (2018: 561; 2019: 556; 2020: 558) / Respondents who dealt with HMRC through HMRC’s webpages (2018: 704; 2019: 778; 2020: 919) / Respondents who dealt with HMRC through HMRC’s online services (2018: 282; 2019: 330; 2020: 481) / Respondents who dealt with HMRC through HMRC’s telephone helpline (2018: 282; 2019: 556; 2020: 521)

<sup>13</sup>This link takes you to HMRC’s annual report and accounts for 2019 to 2020: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/932874/HMRC\\_Annual\\_Report\\_and\\_Accounts\\_2019\\_to\\_2020\\_Print\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932874/HMRC_Annual_Report_and_Accounts_2019_to_2020_Print_.pdf)

**Table 3.8 Rating of HMRC channels – Individuals**

	2020 %	2019 %	2018 %	Sig. change from 2019	Sig. change from 2018
<b>Rating of HMRC webpages*</b>					
Positive	75	67	61	Yes	Yes
Neutral	18	21	26	No	Yes
Negative	7	12	13	Yes	Yes
<b>Rating of other HMRC online services**</b>					
Positive	72	58	58	Yes	Yes
Neutral	18	34	26	Yes	Yes
Negative	9	8	16	No	Yes
<b>Rating of telephone helpline***</b>					
Positive	61	62	61	No	No
Neutral	20	18	19	No	No
Negative	19	20	20	No	No

Q2contexp You said you had contact with HMRC [by telephone / by telephone and online / online]. Please rate your experiences over the last 12 months of: Base: Respondents who dealt with HMRC by telephone (2018: 561; 2019: 556; 2020: 558) / Respondents who dealt with HMRC through HMRC's webpages (2018: 704; 2019: 778; 2020: 919) / Respondents who dealt with HMRC through HMRC's online services (2018: 282; 2019: 330; 2020: 481) / Respondents who dealt with HMRC through HMRC's telephone helpline (2018: 282; 2019: 556; 2020: 521)

Positive ratings for HMRC telephone helplines were higher among those who used only telephone channels (72%) than those who used both telephone and online channels (59%) and were also higher among those who did not have a PTA (70%) compared with those who did (51%).

Positive ratings for HMRC webpages were higher among those who used online only channels (78%) than those who used both telephone and online channels (67%).

Positive ratings for HMRC online services were also higher those who used online only channels (79%) than those who used both telephone and online channels (60%).

Positive ratings for online services were also associated with wider positive experiences of HMRC. Individuals who gave a positive rating for their overall experience were more likely to give a positive rating for online channels (88%) compared with Individuals who gave a neutral or negative

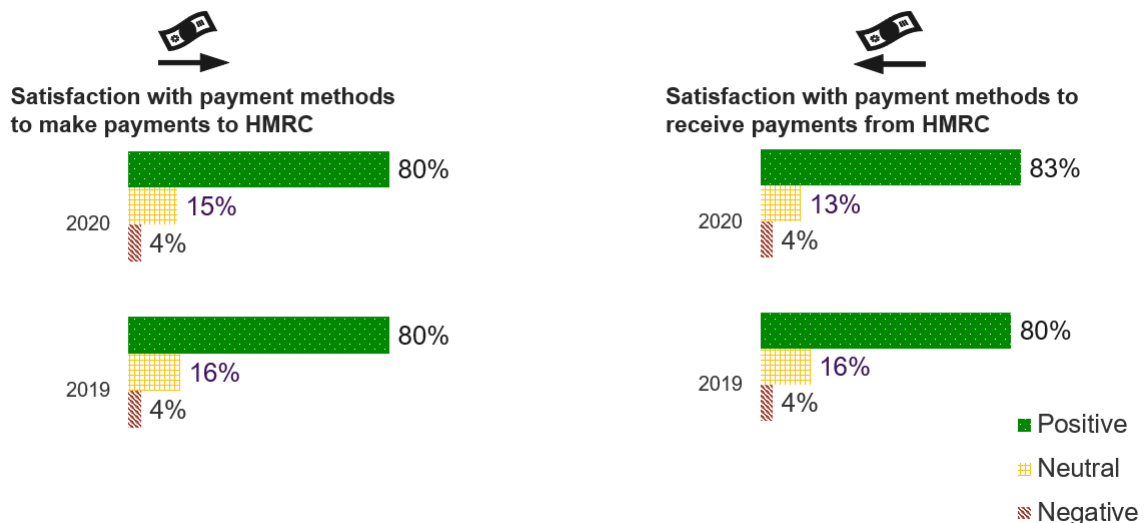
rating (30%); and there was a similar association among Individuals who gave a positive rating for ease of dealing with tax issues (90%) compared with Individuals who gave a neutral or negative rating (51%).

Analysis suggests that this increase in positive ratings for online services since 2019 may be driven by those with single income sources (from 55% in 2019 up to 72% in 2020), those working full-time (from 55% to 73%) and those who paid personal taxes (from 57% up to 74%).

### 3.4.3 Satisfaction with payment methods available

Individuals were asked about their level of satisfaction with options offered by HMRC both to make payments to them, and to receive payments from them. Ratings were similarly high for both types of transaction, with 80% giving a positive rating for making payments and 83% giving a positive rating for receiving payments (no changes since 2019 - Chart 3.9 and Table 3.9).

**Chart 3.9 Satisfaction with payment methods to make payments to HMRC and to receive payments from HMRC – Individuals**



Q6paymethodsmake How satisfied or dissatisfied are you with the options HMRC offers you to make payments to HMRC? Base: Random allocation of half of respondents excluding n/a (2019:934) Q6paymethodsreceive How satisfied or dissatisfied are you with the options HMRC offers to make payments to you? Base: Random allocation of half of respondents excluding n/a (2019:1001; 2020: 1415)

**Table 3.9 Satisfaction with payment methods to make payments to HMRC and to receive payments from HMRC – Individuals**

	2020 %	2019 %	Sig. change from 2019
<b>Satisfaction with payment methods to make payments to HMRC</b>			
Positive	80	80	No
Neutral	15	16	No
Negative	4	4	No
<b>Satisfaction with payment methods to receive payments from HMRC</b>			
Positive	83	80	No
Neutral	13	16	No
Negative	4	4	No

Q6paymethdsmake How satisfied or dissatisfied are you with the options HMRC offers you to make payments to HMRC? Base: Random allocation of half of respondents excluding n/a (2019:934) Q6paymethdsreceive How satisfied or dissatisfied are you with the options HMRC offers to make payments to you? Base: Random allocation of half of respondents excluding n/a (2019:1001; 2020: 1415)

The following types of Individuals gave more favourable ratings in relation to HMRC options for both making and receiving payments from HMRC:

- Individuals with a PTA were more likely to give a positive rating than those without (making payments: 91% compared with 66%; receiving payments: 95% compared with 61%)
- Individuals who gave a positive rating for their overall experience were more likely to give a positive rating compared with Individuals who gave a neutral or negative rating (making payments: 93% compared with 62%; receiving payments: 94% compared with 66%)
- Individuals who gave a positive rating for ease of dealing with tax issues were more likely to give a positive rating compared with Individuals who gave a neutral or negative rating (making payments: 94% compared with 68%; receiving payments: 96% compared with 70%)

#### 3.4.4 Overall rating of Individual experience

Individuals who had interacted with HMRC in the previous 12 months were asked to reflect on all their experiences with HMRC over this time and rate their overall customer experience.

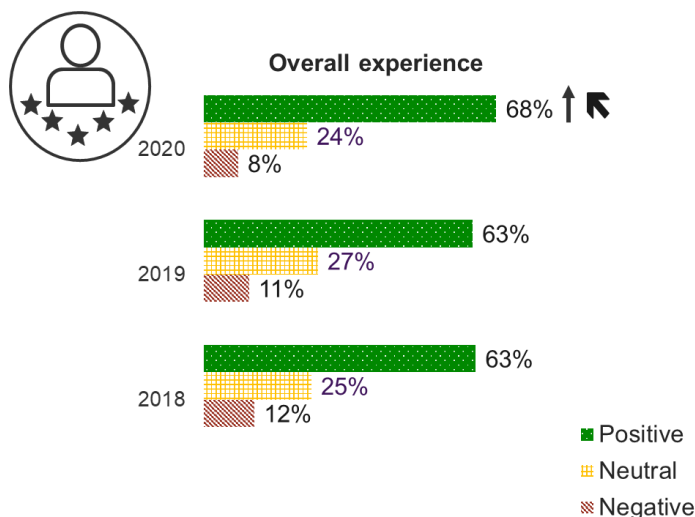
Nearly seven in ten (68%) of Individuals said they had an overall positive experience with HMRC in the last 12 months. Positive ratings have increased since 2019 (from 63% to 68%) (Chart 3.10 and Table 3.10).



Overall experience of interacting with HMRC was linked to channel usage; those with online only interactions were more likely to say they had a positive experience (75%) than those who used both online and telephone channels (63%).

This increase between 2019 and 2020 is mainly driven by increased ratings of satisfaction among those who used any online channel (from 62% to 71%), those using a PTA (from 62% to 70%), those in full-time employment (from 58% to 68%) and among younger respondents aged 16-34 (61% to 69%).

**Chart 3.10 Rating of overall experience – Individuals**



Q3overall Thinking of all your experiences of HMRC over the last 12 months, please rate HMRC overall. Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1547; 2019: 1561; 2020:1886).

**Table 3.10 Rating of overall experience – Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	68	63	63	Yes	Yes
Neutral	24	27	25	No	No
Negative	8	11	12	No	No

Q3overall Thinking of all your experiences of HMRC over the last 12 months, please rate HMRC overall. Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1547; 2019: 1561; 2020:1886).

### 3.4.5 Primary areas for improvement

By comparing how important each customer experience dimension was in relation to overall experience with how well HMRC performed on each dimension, it is possible to identify the dimensions which are highest priority to address in order to improve overall experience for customers. This is known as Key Driver Analysis (KDA). For more information on this please see section 2.3.6.

The primary areas for improvement are presented in Table 3.11:

- the dimensions labelled as “primary areas for improvement” are the primary areas to address in order to have the greatest positive impact on overall customer experience
- the dimensions labelled as “secondary areas for improvement” are the secondary areas to address to improve overall experience
- and the dimensions labelled “areas to maintain” are those where HMRC has performed comparatively well but should ensure that this level of performance is at least maintained

The remainder of this section discusses each of these dimensions in the order of importance as determined by the KDA.

**Table 3.11 Dimensions of Customer Experience – Individuals**

	<b>2020</b> %	<b>Sig. change from</b> <b>2019</b>
<b>Priority areas for improvement</b>		
HMRC resolving queries or issues	63	No
Time taken to reach an end result	63	Yes, increase
<b>Secondary areas for improvement</b>		
HMRC staff were approachable	62	No
Ease of finding information	57	Yes, increase
HMRC systems prevented mistakes	51	No
<b>Areas to maintain</b>		
Clarity of the steps needed to be taken	65	Yes, increase
Clarity when everything was completed	65	No
HMRC getting tax transactions right	65	No
Quality of the information looked for / received	64	No

### **Primary areas for improvement**

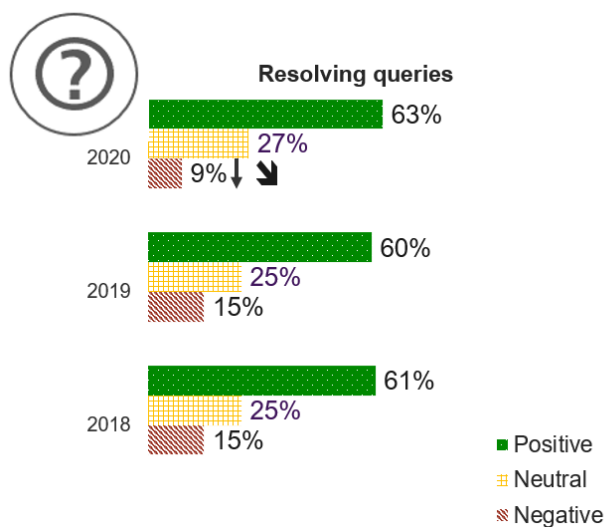
The dimensions which were primary areas for improvement amongst Individuals who had interactions with HMRC in the last 12 months were:

- how good or poor HMRC were at resolving any queries or issues
- acceptability of time taken to reach the end result

### ***Resolving queries***

Just over six in ten (63%) Individuals who interacted with HMRC in the last 12 months were positive about HMRC resolving queries; these findings remain in line with 2019 (Chart 3.12 and Table 3.12).

**Chart 3.12 Rating of how HMRC resolves queries or issues – Individuals**



Q3owner Over the last 12 months, how good or poor were HMRC at resolving any queries or issues? Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1032; 2019: 1037; 2020: 1728).

**Table 3.12 Rating of how HMRC resolves queries or issues – Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	63	60	61	No	No
Neutral	27	25	25	No	No
Negative	9	15	15	Yes	Yes

Q3owner Over the last 12 months, how good or poor were HMRC at resolving any queries or issues? Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1032; 2019: 1037; 2020: 1728).

Positive ratings were higher for those using telephone-only channels (77%) than those using a mixture of telephone and online channels (63%), while those who did not have any help in dealing with HMRC (65%) were more likely to be positive than those who used an adviser (55%).

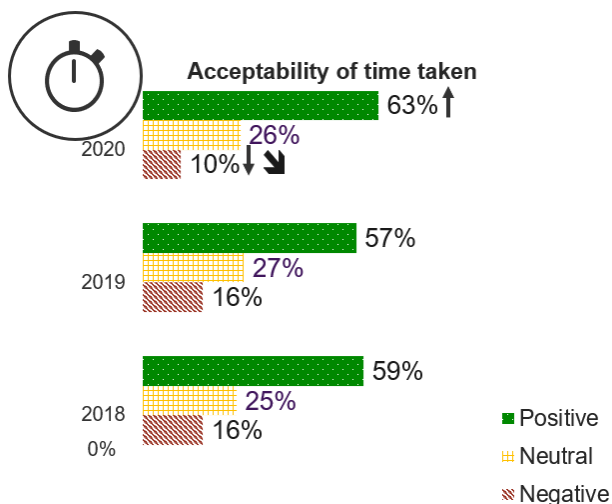
Ratings on this measure were linked to the ratings of the timeliness of HMRC resolving queries, with 88% rating HMRC as good at resolving queries or issues also rating the acceptability of the time taken for their query to reach an end result.

There was an association between positive ratings on resolving queries and a range of other aspects of customer satisfaction. Between 84% and 88% of Individuals who gave positive ratings on overall experience, personalisation of services, ease of dealing with tax issues and empathy also gave a positive rating for resolution of queries. The same trend was also evident for all other aspects of customer satisfaction in this section.

***Acceptability of time taken to reach end result***

Just over six in ten Individuals (63%) were positive about the time taken to reach the end result in their dealings, an increase in positive ratings since 2019 when 57% gave a positive rating (Chart 3.13 and Table 3.13).

**Chart 3.13 Rating of acceptability of time taken to reach end result – Individuals**



Q3time During your dealings with HMRC over the last 12 months, how acceptable was the time taken to reach the end result? Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1210; 2019: 1217; 2020: 1763)

**Table 3.13 Rating of acceptability of time taken to reach end result – Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	63	57	59	Yes	No
Neutral	26	27	25	No	No
Negative	10	16	16	Yes	Yes

Q3time During your dealings with HMRC over the last 12 months, how acceptable was the time taken to reach the end result? Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1210; 2019: 1217; 2020: 1763)

Individuals who used online only channels (72%) were more likely to be positive than those who contacted HMRC using online and telephone channels (56%), and PTA users were also more positive than non-PTA users (69% compared with 60%).

The increase in positive ratings on this measure between 2019 and 2020 was mainly driven by increases in positive ratings among PTA users (from 54% to 69%), among those who used any online channel (from 56% to 67%), among those in full-time employment (from 55% to 63%), among those with multiple income sources (from 55% to 63%), among those aged 16-34 (from 56% to 65%), and among those who had no professional help with their taxes (from 57% to 64%).

### Secondary areas for improvement

This section looks at the dimensions which were of lesser importance to Individuals' overall rating of their customer experience. These are dimensions where ratings were comparatively lower than

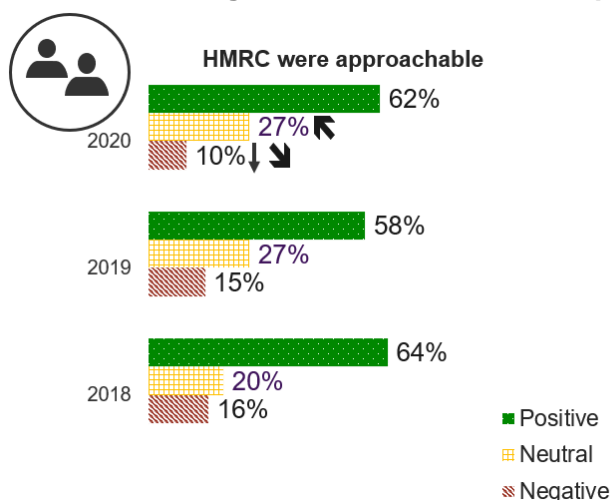
other dimensions but had less impact on overall customer experience. These three dimensions were:

- HMRC being approachable
- ease of finding information
- HMRC systems prevented mistakes

### HMRC were approachable

Just over six in ten (62%) gave a positive rating about HMRC being approachable, which represents a stable finding compared with 2019. (Chart 3.14 and Table 3.14).

**Chart 3.14 Rating of whether HMRC were approachable – Individuals**



Q3staff How strongly do you agree or disagree with the following statements about your dealings with HMRC in the last 12 months? "HMRC were approachable". Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1203; 2019: 1232; 2020: 1785).

**Table 3.14 Rating of whether HMRC were approachable – Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	62	58	64	No	No
Neutral	27	27	20	No	Yes
Negative	10	15	16	Yes	Yes

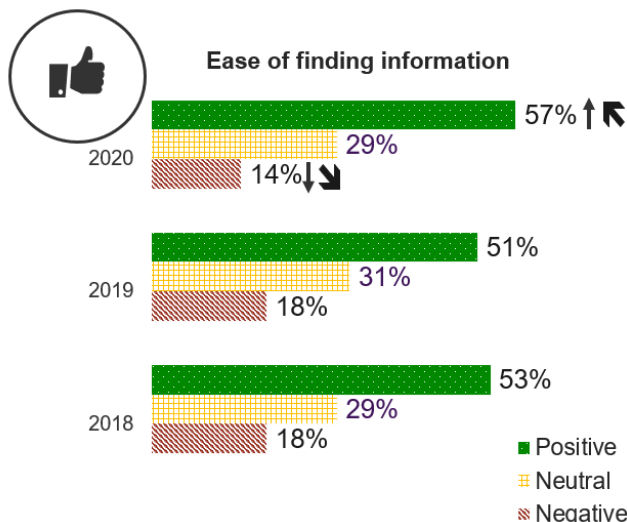
Q3staff How strongly do you agree or disagree with the following statements about your dealings with HMRC in the last 12 months? "HMRC were approachable". Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1203; 2019: 1232; 2020: 1785).

Individuals who had a single source of income (65%) were more likely to give a positive rating than those with multiple income sources (59%), while those who had no help in dealing with HMRC were more likely to give a positive rating (64%) than those who used an adviser (53%).

### Ease of finding information

Just under six in ten (57%) of Individuals who interacted with HMRC over the last 12 months were positive about the ease of finding the information they needed on tax and benefits and credits issues, which represents an increase since 2019 (51%). (Chart 3.15 and Table 3.15).

**Chart 3.15 Ratings for ease of finding information– Individuals**



Q3find How easy or difficult was it to find any information you needed on tax [and benefit and credit] issues from HMRC?  
Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1337; 2019: 1356; 2020: 1836)

**Table 3.15 Ratings for ease of finding information– Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	57	51	53	Yes	Yes
Neutral	29	31	29	No	No
Negative	14	18	18	Yes	Yes

Q3find How easy or difficult was it to find any information you needed on tax [and benefit and credit] issues from HMRC?  
Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1337; 2019: 1356; 2020: 1836)

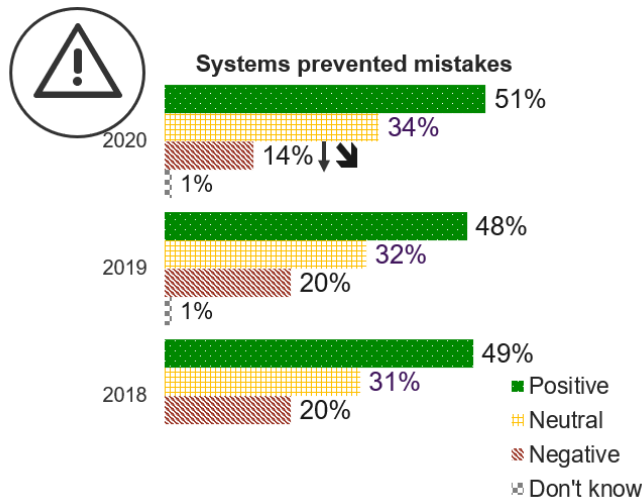
Individuals who used online channels only (63%) were more likely to give a positive rating than those who used both telephone and online channels (52%), and those who had no help in dealing with HMRC were more likely to give a positive rating (59%) than those who used a professional adviser (48%).

Ratings of how easy or difficult it was to find information were linked to rating of the quality of the information received, with 82% of those giving a positive rating to both dimensions.

**Systems prevented mistakes**

Half of Individuals (51%) who interacted with HMRC in the last 12 months gave a positive rating for how HMRC systems prevented customers from making mistakes; this was in line with 2019 ratings. This was the dimension of customer experience with the lowest proportion of positive ratings.

**Chart 3.16: Ratings for HMRC having systems which prevent mistakes – Individuals**



Q3syst How strongly do you agree or disagree with the following statements about your dealings with HMRC in the last 12 months? “HMRC had systems which were good at preventing customers from making mistakes”. Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1197; 2019: 1254; 2020: 1782) 1% of respondents selected Don't Know in 2019 and 2020.

**Table 3.16 Ratings for HMRC having systems which prevent mistakes – Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	51	48	49	No	No
Neutral	34	32	31	No	No
Negative	14	20	20	Yes	Yes
Don't know	1	1	0	No	No

Q3syst How strongly do you agree or disagree with the following statements about your dealings with HMRC in the last 12 months? “HMRC had systems which were good at preventing customers from making mistakes”. Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1197; 2019: 1254; 2020: 1782) 1% of respondents selected Don't Know in 2019 and 2020.

Positive ratings on this measure were higher among Individuals who used online channels only (57% compared with 47% who used online and telephone), those who didn't receive any help dealing with HMRC (54%) or received more informal help (47%) compared with 37% who used an adviser. Positive ratings were also higher among Individuals from ethnic minorities (excluding White minorities) (62% compared with 50% from a White background).

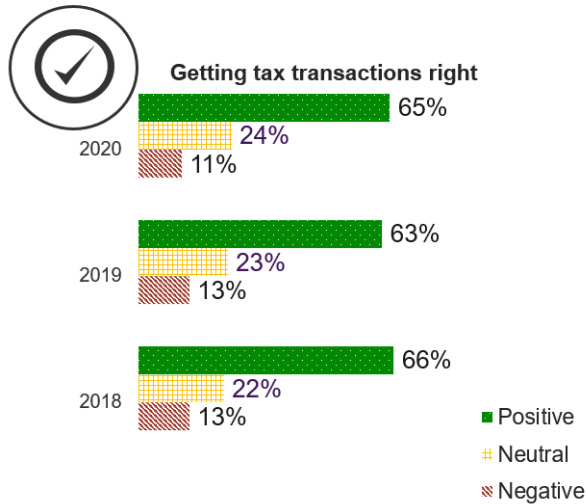
**Areas to maintain**

The dimensions explored in this section were areas where HMRC performed well and should at least maintain performance to ensure a positive customer experience. These dimensions were: HMRC getting tax transactions right; clarity of steps that needed to be taken; clarity of when everything was complete; and quality of information looked for or received from HMRC.

### Getting tax transactions right

Around two in three (65%) Individuals who interacted with HMRC over the last 12 months were positive about HMRC getting tax and benefits and credits transactions right, no change since 2019 (Chart 3.17 and Table 3.17).

**Chart 3.17 Ratings for getting tax transactions right – Individuals**



Q3right Over the last 12 months, how good or poor were HMRC at getting tax [and benefits and credits] transactions right? Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1399; 2019: 1407; 2020: 1843).

**Table 3.17 Ratings for getting tax transactions right – Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	65	63	66	No	No
Neutral	24	23	22	No	No
Negative	11	13	13	No	No

Q3right Over the last 12 months, how good or poor were HMRC at getting tax [and benefits and credits] transactions right? Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1399; 2019: 1407; 2020: 1843).

Individuals who rated HMRC most positively on getting tax transactions right included:

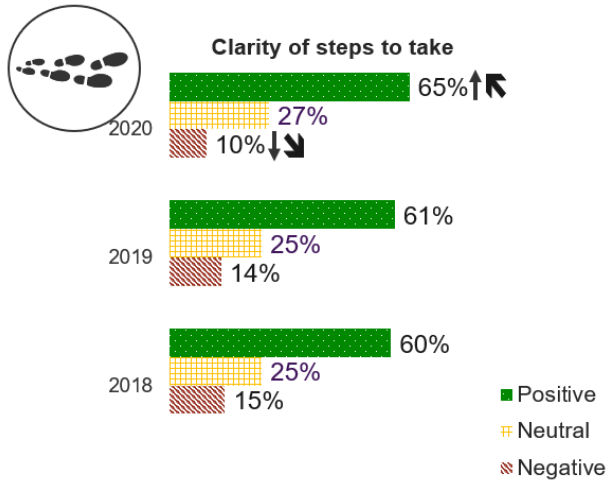
- those who used online channels only (73%, compared with 59% who those who used online and telephone channels)
- those who used a PTA (70% compared with 62% who did not)
- those who had multiple sources of income (71% compared with 63% who had a single income source)
- those aged 35 or over (68% compared with 60% of those ages 16-34)
- those who were self-employed (76% compared with 64% of those working full-time and 67% who were not working)



### Clarity of steps needed to take

Two in three (65%) Individuals were positive about HMRC making it clear what steps the customer needed to take, which represents an increase since 2019 when 61% gave a positive rating (Chart 3.18 and Table 3.18).

**Chart 3.18 Ratings for clarity of steps that need to be taken – Individuals**



Q3navi How strongly do you agree or disagree with the following statement about your dealings with HMRC in the last 12 months? "HMRC made clear what steps I needed to take" Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1385; 2019: 1416; 2020: 1857)

**Table 3.18 Ratings for clarity of steps that need to be taken – Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	65	61	60	Yes	Yes
Neutral	27	25	25	No	No
Negative	10	14	15	Yes	Yes

Q3navi How strongly do you agree or disagree with the following statement about your dealings with HMRC in the last 12 months? "HMRC made clear what steps I needed to take" Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1385; 2019: 1416; 2020: 1857)

Similar to other measures, ratings on this measure were higher for:

- Individuals who used online channels only (71% compared with 60% who used online and telephone)
- those who did not have help dealing with HMRC (67% compared with 57% who used an adviser)
- Individuals from ethnic minorities (excluding White minorities) (75% compared with 54% from a White background (64%))

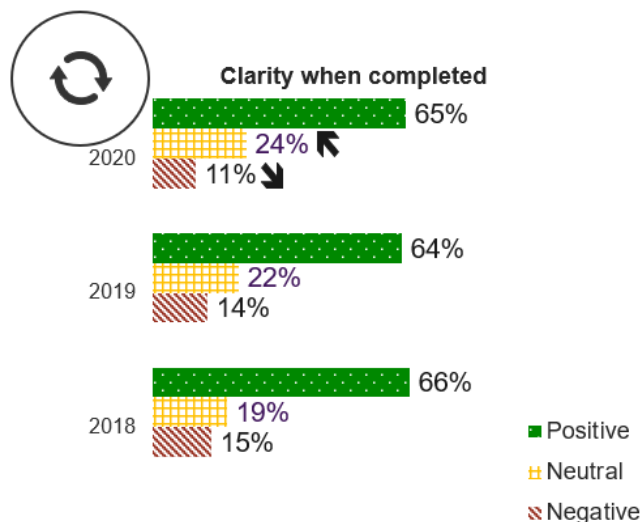
Positive ratings of this measure were associated with positive ratings on whether HMRC made it clear when everything was complete, with 85% rating both positively.

The increase since 2019 is driven in part by those in full-time employment (up from 57% to 64%), those who were self-employed (56% to 63%) and those who used a PTA (59% to 67%).

**Clear when everything was completed**

Two-thirds (65%) were positive about HMRC making it clear when everything was completed which remains consistent with 2019 (Chart 3.19 and Table 3.19).

**Chart 3.19 Ratings for clarity when everything is complete– Individuals**



Q3navi2 How strongly do you agree or disagree with the following statements about your dealings with HMRC in the last 12 months? “HMRC made it clear when everything was completed” Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1280; 2019: 1299; 2020: 1802)

**Table 3.19 Ratings for clarity when everything is complete– Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	65	64	66	No	No
Neutral	24	22	19	No	Yes
Negative	11	14	15	No	Yes

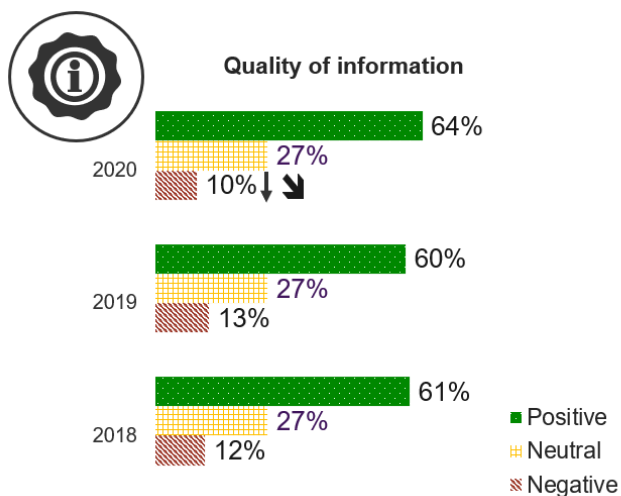
Q3navi2 How strongly do you agree or disagree with the following statements about your dealings with HMRC in the last 12 months? “HMRC made it clear when everything was completed” Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1280; 2019: 1299; 2020: 1802)

Individuals using online only channels were more likely to be positive than those using both online and telephone channels (74% compared with 58%). Individuals who used a PTA were more positive than those who did not (68% compared with 62%) as were those who did not receive help when dealing with HMRC (68% compared with 59% who used an adviser and 58% who received other more informal help).

**Quality of information looked for or received**

About two-thirds (64%) of Individuals who interacted with HMRC in the last 12 months rated the quality of information they had looked for or received from HMRC positively, which is consistent with findings reported in 2019 (Chart 3.20 and Table 3.20).

**Chart 3.20 Rating of quality of information looked for or received – Individuals**



Q3qual How would you rate the quality of information you have looked for or received from HMRC over the last 12 months?  
 Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1505; 2019: 1507; 2020 1896).

**Table 3.20 Rating of quality of information looked for or received – Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	64	60	61	No	No
Neutral	27	27	27	No	No
Negative	10	13	12	Yes	Yes

Q3qual How would you rate the quality of information you have looked for or received from HMRC over the last 12 months?  
 Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1505; 2019: 1507; 2020 1896).

Higher ratings were found among Individuals who used online channels only (71%, compared with 57% of those who used both online and telephone channels); those who were not working (69% compared with 62% in full-time and 61% in part-time employment); and those who had no help in dealing with HMRC (66% compared with 55% who used an adviser).

### 3.5 Views on administration of the tax system

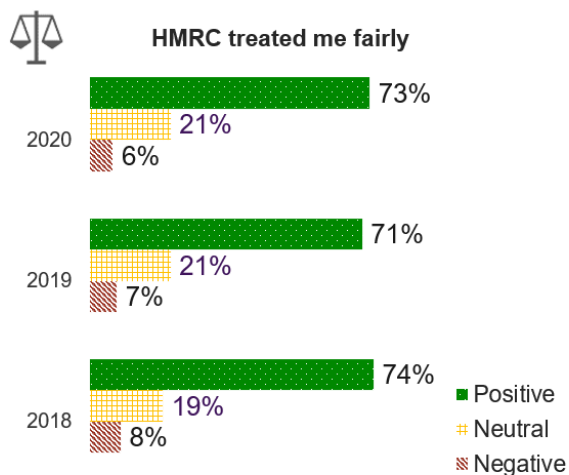
Individuals were asked about their views of the administration of the tax system. More specifically, they were asked about whether HMRC treated them fairly, the ease of dealing with tax issues, whether they found that HMRC’s services were personalised, whether they thought HMRC’s online services were joined up, whether they perceived HMRC as empathetic, and the extent to which they found HMRC to be accountable for any errors. The questions on empathy and accountability were new in 2020 and therefore the results for these measures cannot be compared with previous surveys.

All questions in this section were asked to Individuals who reported having had any interaction with HMRC over the last 12 months.

### 3.5.1 Fairness

Around three in four (73%) of Individuals were positive about HMRC treating them fairly; there was no change on this measure compared with 2019 (Chart 3.21 and Table 3.21).

**Chart 3.21 Treats me fairly – Individuals**



Q4fair How strongly do you agree or disagree with the following statement? “HMRC treated me fairly” Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1356; 2019: 1395; 2020: 1822)

**Table 3.21 Treats me fairly – Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	73	71	74	No	No
Neutral	21	21	19	No	No
Negative	6	7	8	No	No

Q4fair How strongly do you agree or disagree with the following statement? “HMRC treated me fairly” Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1356; 2019: 1395; 2020: 1822)

Positive ratings were higher among the following groups of Individuals:

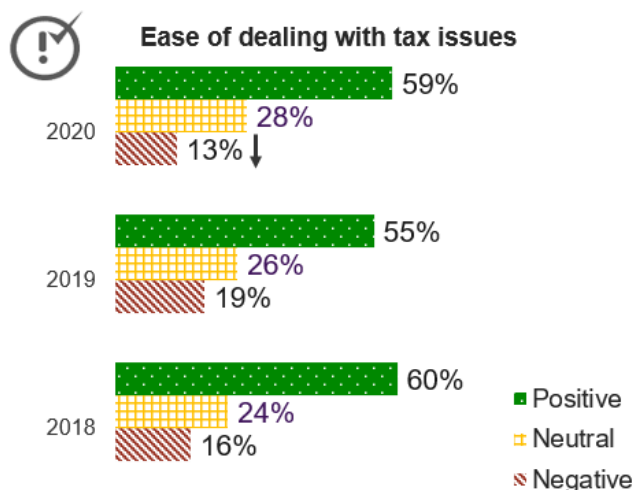
- those who interacted with HMRC through online only channels (79% compared with 69% who used telephone and online channels)
- those who did not have help in their dealings with HMRC (75% compared with 65% who used a professional adviser)

Positive ratings for this measure were associated with positive ratings of overall experience personalisation of services, ease of dealing with tax issues, efficiency, effectiveness and confidence, with positive ratings between 90% and 94%. A similar pattern was evident on all other views of the administration of the tax system discussed in the rest of this section.

### 3.5.2 Ease of dealing with tax issues

Six in ten (59%) were positive about the ease of dealing with tax issues, which is broadly in line with 2019 (Chart 3.22 and Table 3.22).

**Chart 3.22 Ease of dealing with tax issues – Individuals**



Q4ease Over the last 12 months, how easy or difficult have you found it to deal with your tax issues [and benefit and credit claims]? Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1329; 2019: 1344; 2020: 2963).

**Table 3.22 Ease of dealing with tax issues – Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	59	55	60	No	No
Neutral	28	26	24	No	No
Negative	13	19	16	Yes	No

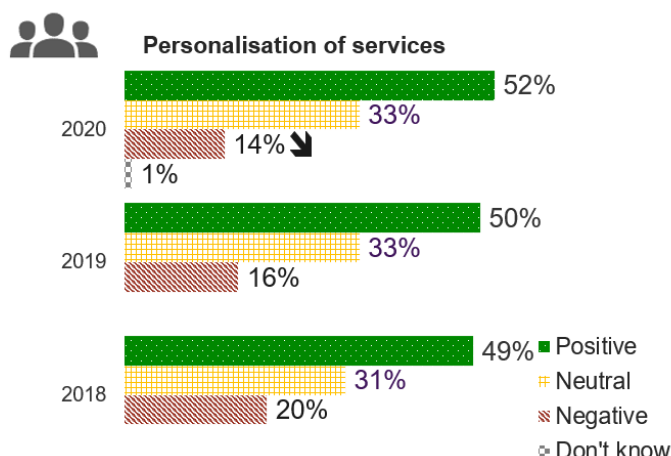
Q4ease Over the last 12 months, how easy or difficult have you found it to deal with your tax issues [and benefit and credit claims]? Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1329; 2019: 1344; 2020: 2963).

Individuals who had contact online only (67%) were more likely to give a positive rating on ease of dealing with tax issues than those who had contact online and by telephone (49%).

### 3.5.3 Personalisation of services

Half of respondents (52%) were positive about personalisation of services, that is whether information and services were tailored to the individual. There have been no changes for this measure since 2019 (Chart 3.23 and Table 3.23).

**Chart 3.23 Personalisation of services – Individuals**



Q4person How strongly do you agree or disagree that over the last 12 months the information and services provided by HMRC have been personalised to you? Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1377; 2019: 1413; 2020: 1825)

**Table 3.23 Personalisation of services – Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	52	50	49	No	No
Neutral	33	33	31	No	No
Negative	14	16	20	No	Yes
Don't know	1	0	0	No	No

Q4person How strongly do you agree or disagree that over the last 12 months the information and services provided by HMRC have been personalised to you? Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2018: 1377; 2019: 1413; 2020: 1825)

Positive ratings were higher amongst those who were aged 55+ (59% compared with 51% of those aged 35-54 and 49% of those aged 16-34); and those who used online channels only (57% compared with 46% of those who used online and telephone channels).

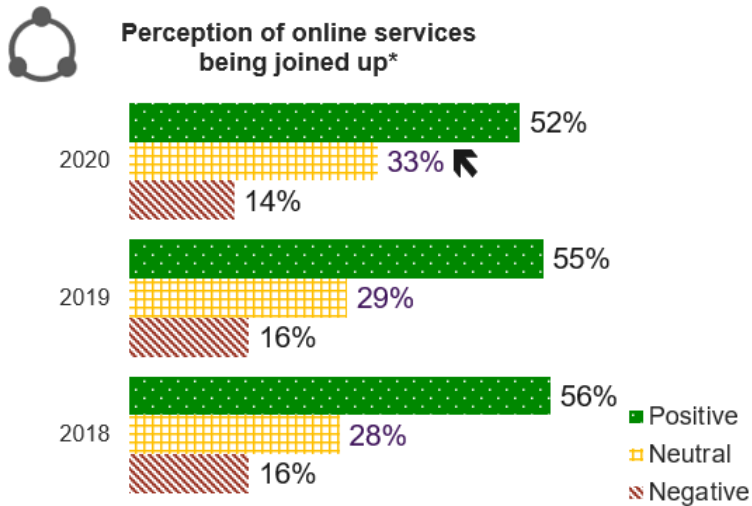
Positive ratings on this measure were associated with positive ratings of overall customer experience, ease of dealing with tax issues, time taken to reach end result, resolving any queries or issues, personal circumstances being taken into account, and HMRC helping resolve unintentional errors.

### 3.5.4 Perception of online services being joined up

Individuals who interacted with HMRC online in the last year were asked how much they agreed or disagreed that the information and services provided online were joined up, where joined up was described as getting the same information across the different online services and not having to give the same information to HMRC more than once.

Six in ten (60%) agreed that the information and services provided online by HMRC over the last 12 months were joined up; there were no changes since 2019 (Chart 3.24 and Table 3.24).

**Chart 3.24 Perception that online services were joined up – Individuals**



Q4integrate How strongly do you agree or disagree that the information and services provided online by HMRC over the last 12 months are joined up? Base: Respondents who dealt with HMRC online (excluding Not applicable) (2018: 840; 2019: 916; 2020: 1355) \*This question was first asked in 2018.

**Table 3.24 Perception that online services were joined up – Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	52	55	56	No	No
Neutral	33	29	28	No	Yes
Negative	14	16	16	No	No

Q4integrate How strongly do you agree or disagree that the information and services provided online by HMRC over the last 12 months are joined up? Base: Respondents who dealt with HMRC online (excluding Not applicable) (2018: 840; 2019: 916; 2020: 1355). This question was first asked in 2018.

Individuals who used online only channels of communication were more positive than those who had contact through both online and telephone channels (63% and 54% respectively). Positive ratings for HMRC being joined up were also higher among those did not have any professional help when dealing with HMRC (64%) or who received informal help only (57%) compared with 45% who used an adviser.

### 3.5.5 Empathy

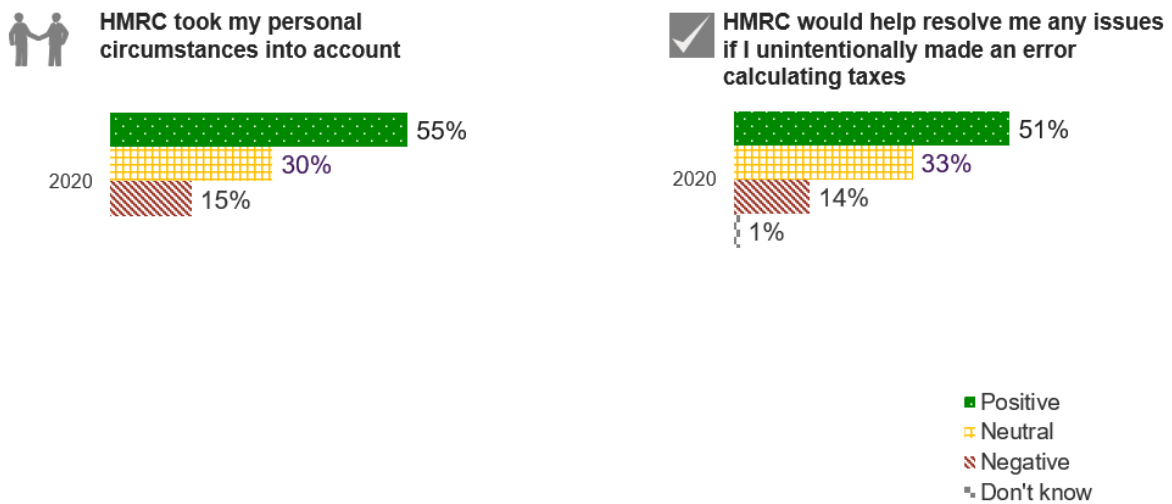
Two new questions were added in 2020 to explore whether customers view HMRC as empathetic. They have been created in line with the new charter which defines the service and standards of behaviour that customers can expect from HMRC. Individuals were asked:

- whether they considered that their personal circumstances were taken into account

- whether they believed HMRC would help to resolve any issues arising from an unintentional error made when calculating taxes

Overall, 55% of Individuals considered that personal circumstances were taken into account and 51% believed that HMRC would help to resolve an unintentional error. There was a high level of association between these two questions, with 84% giving a positive rating to both statements.

**Chart 3.25 Perception that HMRC is empathetic – Individuals**



Q4empath. How strongly do you agree or disagree with the following statement about your dealings with HMRC in the last 12 months? “HMRC took my personal circumstances into account”. Base: All respondents (excluding Not Applicable) (2020: 1052) \*The question was first asked in 2020. Q4error. How strongly do you agree or disagree that HMRC would help you resolve any issues if you unintentionally made an error in calculating your taxes? Base: All respondents (excluding Not Applicable). (2020: 1784). \*The question was first asked in 2020.

**Table 3.25 Perception that HMRC is empathetic – Individuals**

	2020 %
<b>HMRC took my personal circumstances into account:</b>	
Positive	55
Neutral	30
Negative	15
<b>HMRC would help me resolve any issues if I unintentionally made an error calculating my taxes:</b>	
Positive	51
Neutral	33
Negative	14



	<b>2020</b>
	%
Don't Know	1

Q4empath. How strongly do you agree or disagree with the following statement about your dealings with HMRC in the last 12 months? "HMRC took my personal circumstances into account". Base: All respondents (excluding Not Applicable) (2020: 1052) \*The question was first asked in 2020. Q4error. How strongly do you agree or disagree that HMRC would help you resolve any issues if you unintentionally made an error in calculating your taxes? Base: All respondents (excluding Not Applicable). (2020: 1784). \*The question was first asked in 2020.

Positive ratings for consideration of personal circumstances were higher among those that interacted online only (59% compared with 47% who used both online and telephone channels) and those who did not receive any help in their dealings with HMRC (59% compared with 41% who used an adviser).

Individuals with a positive overall experience (74%) were more likely to rate HMRC favourably on this measure than those with a neutral (22%) or negative (18%) experience. A similar association can be seen for other customer service measures and confidence in the way that HMRC does its job.

Positive ratings for perceptions of help to resolve an unintentional mistake were also higher for Individuals who had no help in dealing with HMRC (53%) compared with those who received help via an adviser (43%). Individuals who were positive about HMRC applying penalties and sanctions equally were more likely to give positive rating on this measure (76%) than those who gave a neutral (40%) or a negative rating (27%).

In addition, Individuals from White backgrounds and those who had a long-standing physical or mental health condition were less likely to regard HMRC as willing to help to resolve an unintentional error: 46% of Individuals with a physical or mental health condition were favourable on this rating compared with 53% without such a condition; and 50% of White Individuals were favourable compared with 63% of Individuals from ethnic minorities (excluding White minorities).

### 3.5.6 Accountability

Two new questions were added in 2020 to explore the extent to which HMRC is viewed as accountable. Individuals were asked whether they considered that HMRC had made any errors in their tax dealings over the last 12 months and, where this happened, how satisfied they were with the resolution of this error.

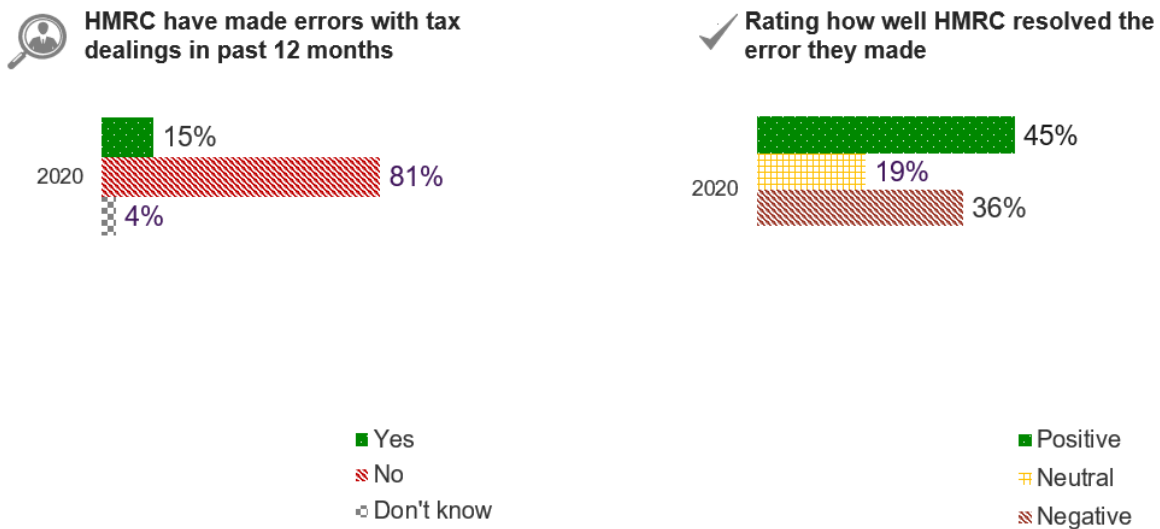
Overall, 15% of Individuals believed that the HMRC has made an error in their tax. This was higher among the following groups of Individuals:

- those who interacted by telephone and online (30%) compared with those who used telephone only (23%) or online only (10%)
- those who used a PTA (18%) compared with those who did not (12%)
- those aged 16-34 (19%) compared with those aged 55+ (11%)
- those in full-time employment (17%) compared with those who were self-employed (10%) or not working (11%)

- those who had been on furlough (23%) compared with those who had not (16%)
- those that gave a negative rating of their overall experience with HMRC (50%) compared with those who gave a neutral rating (14%) or a positive rating (11%)
- those that gave a negative rating for ease of dealing with tax issues (44%) compared with those that gave a neutral (14%) or positive rating (9%)

Among those who believed an error had been made in the last 12 months, 45% gave a positive rating for how they felt HMRC had acted in resolving the error. Due to small base sizes, it is not possible to provide any sub-group analysis for this measure.

**Chart 3.26 Perception that HMRC is accountable – Individuals**



Q4account. Over the last 12 months, have HMRC made any errors with your tax dealings? Base: All respondents (excluding Not Applicable). (2020: 1974) \*This question was first asked in 2020. Q4resolve. How would you rate HMRC at resolving the error(s) they made? Base: Respondents who said HMRC made any errors with their / their clients' tax dealings (2020: 254). \*This question was first asked in 2020.

**Table 3.26 Perception that HMRC is accountable – Individuals**

	2020 %
<b>HMRC have made errors with tax dealings in past 12 months:</b>	
Yes	15
No	81
Don't know	4
<b>Rating how well HMRC resolved the error they made:</b>	
Positive	45

	2020 %
Neutral	19
Negative	36

Q4account. Over the last 12 months, have HMRC made any errors with your tax dealings? Base: All respondents (excluding Not Applicable). (2020: 1974) \*This question was first asked in 2020. Q4resolve. How would you rate HMRC at resolving the error(s) they made? Base: Respondents who said HMRC made any errors with their / their clients' tax dealings (2020: 254). \*This question was first asked in 2020.

### 3.6 Perceptions of HMRC's Reputation

This section examines Individuals' broader perceptions of HMRC as an organisation. They were asked to rate HMRC on the following:

- efficient: HMRC is an efficient organisation that does not waste money
- effective: HMRC ensures all its customers pay/receive the correct amount of tax
- fair: HMRC applies penalties and sanctions equally for all of its customers
- protection of personal data: HMRC ensures that customers' data and personal information is treated confidentially
- overall confidence: Confidence in the way that HMRC are doing their job
- favourability: Overall opinion of HMRC after taking into account everything thought to be important
- advocacy: Tendency to speak well or critically about HMRC to other people

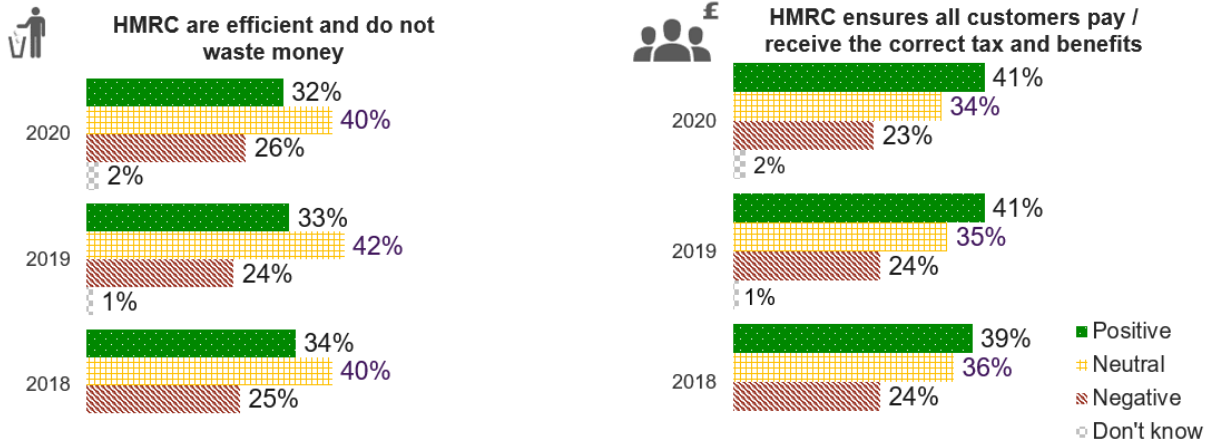
These measures were asked of all Individuals, regardless of whether they had interacted with HMRC. Ratings for these dimensions of reputation were substantially lower than the dimensions of customer experience due to higher proportions of respondents giving neutral ratings or saying they did not know compared with the customer experience dimensions.

#### 3.6.1 Efficiency and effectiveness

Perceptions of efficiency were measured by asking Individuals how strongly they agreed or disagreed that "HMRC is an efficient organisation that does not waste money". A third (32%) of Individuals agreed that HMRC was efficient, no change since 2019 (Chart 3.27 and Table 3.27).

Individuals' perceptions of HMRC's effectiveness were measured through the level of agreement with the statement "HMRC ensures all of its customers pay or receive the correct amount of money in taxes and benefits". Four in ten (41%) agreed, again no change since 2019 (Chart 3.27 and Table 3.27).

#### Chart 3.27 Perceptions of HMRC's efficiency and effectiveness - Individuals



Q5rep How strongly do you agree or disagree with the following statement? “HMRC is an efficient organisation that does not waste money”. Base: All respondents (2018: 2579; 2019: 2542; 2020: 2866). 1% of respondents in 2019 selected Don't Know; Q5rep How strongly do you agree or disagree with the following statement? “HMRC ensures all of its customers pay or receive the correct amount of money in taxes and benefits”. Base: All respondents (2018: 2585; 2019: 2549; 2020: 2866).

**Table 3.27 Perceptions of HMRC’s efficiency and effectiveness - Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
<b>HMRC are efficient and do not waste money:</b>					
Positive	32	33	34	No	No
Neutral	40	42	40	No	No
Negative	26	24	25	No	No
Don't know	2	1	0	No	No
<b>HMRC ensures all customers pay/ receive the correct tax and benefits:</b>					
Positive	41	41	39	No	No
Neutral	34	35	36	No	No
Negative	23	24	24	No	No
Don't know	2	1	0	No	No

Q5rep How strongly do you agree or disagree with the following statement? “HMRC is an efficient organisation that does not waste money”. Base: All respondents (2018: 2579; 2019: 2542; 2020: 2866). 1% of respondents in 2019 selected Don't Know; Q5rep How strongly do you agree or disagree with the following statement? “HMRC ensures all of its customers pay or receive the correct amount of money in taxes and benefits”. Base: All respondents (2018: 2585; 2019: 2549; 2020: 2866).

Positive ratings for efficiency were higher amongst Individuals who had not paid personal taxes in the last 12 months (40% compared with 31% who said they had) and those who did not have any external help in their dealings with HMRC (34% compared with 25% who used an adviser).

Positive ratings for effectiveness were higher amongst Individuals who interacted by telephone only (48%) and online only (45%) compared with those who interacted by telephone and online (35%).

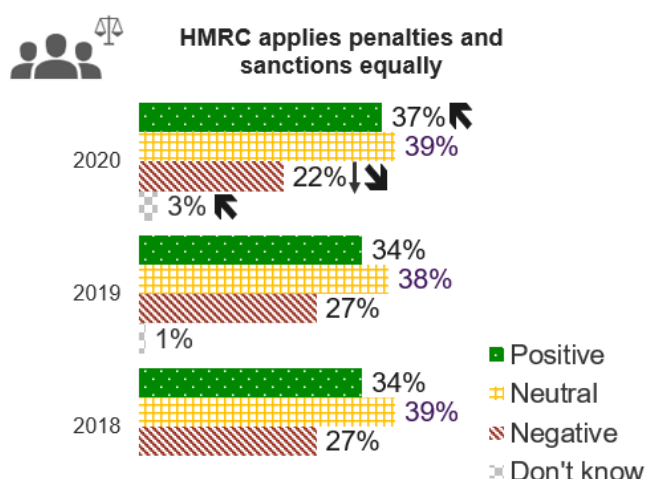
The propensity to give a positive rating for these two attributes was inter-related. Individuals who gave a positive rating of effectiveness of HMRC were also more likely to rate HMRC positively on efficiency (65%) than those who gave a neutral (14%) or a negative rating (3%).

Conversely, Individuals who gave a positive rating of efficiency of HMRC (82%) were more likely to also be positive on effectiveness than those who gave a neutral (27%) or negative (12%) rating.

### 3.6.2 Fairness in applying penalties and sanctions

Perception of fairness was measured by asking Individuals whether they agreed that “HMRC applies penalties and sanctions equally for all of its customers”. Just over a third (37%) agreed with this statement, and there has been no change since 2019 (Chart 3.28 and Table 3.28).

**Chart 3.28 Perceptions of HMRC fairness – Individuals**



Q5rep How strongly do you agree or disagree with the following statement? “HMRC applies penalties and sanctions equally for all of its customers”. Base: All respondents (2018: 2576; 2019: 2548; 2020: 2865).

**Table 3.28 Perceptions of HMRC fairness – Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	37	34	34	No	Yes
Neutral	39	38	39	No	No
Negative	22	27	27	Yes	Yes

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Don't know	3	1	0	No	Yes

Q5rep How strongly do you agree or disagree with the following statement? "HMRC applies penalties and sanctions equally for all of its customers". Base: All respondents (2018: 2576; 2019: 2548; 2020: 2865).

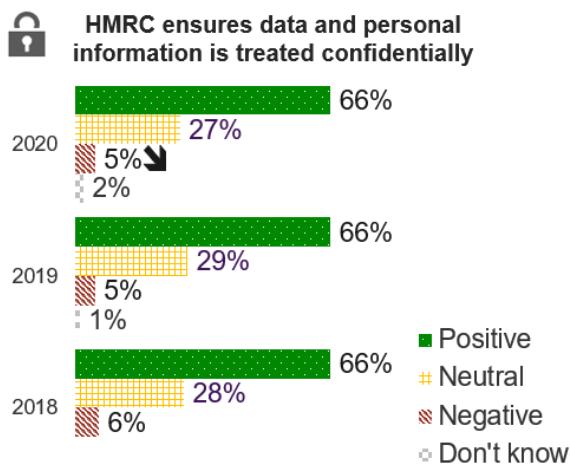
Positive ratings on fairness were higher among the following gro40ups of Individuals:

- Individuals with a single source of income (39%, compared with 33% of those with multiple sources)
- Individuals aged 16-34 (40%, compared with 33% of those aged 55+)
- Individuals who received benefits or tax credits (42%, compared with 36% of those who did not)
- Individuals who gave a positive rating to HMRC taking their personal circumstances into account (60%) compared with those who gave a neutral (22%) or negative rating (11%). A similar pattern can be seen with efficiency (73% were positive compared with 25% that were neutral and 12% that were negative) effectiveness (74% were positive compared with 15% that were neutral and 7% that were negative) and confidence ratings (57% were positive compared with 15% that were neutral and 10% that were negative)

### 3.6.3 Protection of personal information

Two-thirds (66%) of Individuals were positive about HMRC ensuring the confidentiality of data and personal information; this rating is in line with 2019 (Chart 3.29 and Table 3.29).

**Chart 3.29 HMRC ensures customers data and personal information is treated confidentially – Individuals**



Q5data How strongly do you agree or disagree with the following statement? "HMRC ensures that customers' data and personal information is treated confidentially". Base: All respondents (2018: 2618; 2019: 2564; 2020: 2887).

**Table 3.29 HMRC ensures customers data and personal information is treated confidentially – Individuals**

	2020 %	2019 %	2018 %	Sig. change from 2019	Sig. change from 2018
Positive	66	66	66	No	No
Neutral	27	29	28	No	No
Negative	5	5	6	No	Yes
Don't know	2	1	0	No	No

Q5data How strongly do you agree or disagree with the following statement? "HMRC ensures that customers' data and personal information is treated confidentially". Base: All respondents (2018: 2618; 2019: 2564; 2020: 2887).

Individuals who interacted with HMRC in the last 12 months were more likely to be positive (68%) than those who had no interaction (63%). Positive ratings were also higher amongst Individuals from ethnic minorities (excluding White minorities) (75%, compared with 66% from a White background).

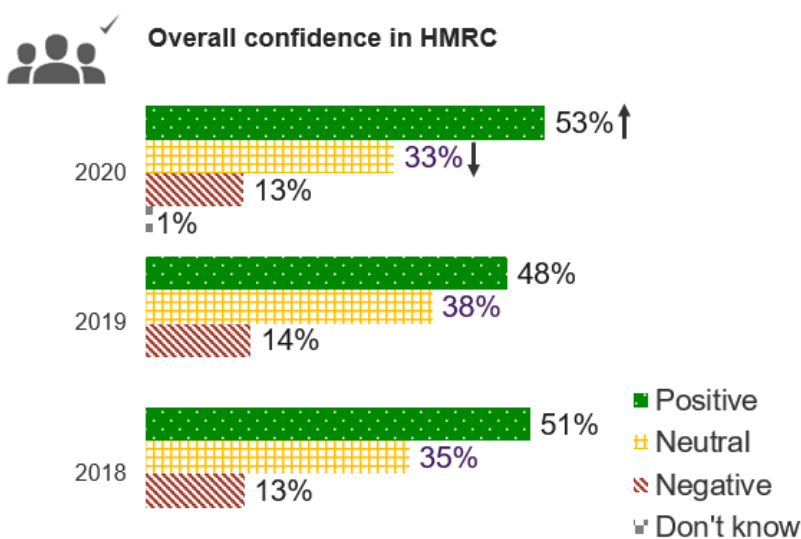
Individuals who rated their overall experience positively were more likely to give a positive rating on this measure (80%) than those who gave a neutral (43%) or a negative rating (40%). A similar pattern can be seen for other customer experience measures such as ease of dealing with tax issues and time taken to reach an end result.

On the other hand, Individuals who said HMRC made an error with their tax dealings were much less likely to rate HMRC positively on this measure (58% compared with 70% of those who said that HMRC has not made an error).

### 3.6.4 Overall confidence in HMRC

Just over half of Individuals (53%) were confident in the way HMRC were doing their job, which represents an increase compared with 2019 when 48% were confident (Chart 3.30 and Table 3.30).

**Chart 3.30 Confidence in HMRC – Individuals**



Q5conf How confident are you in the way HMRC are doing their job? Base: All respondents (2018: 2636; 2019: 2582; 2020: 2926).

**Table 3.30 Confidence in HMRC – Individuals**

	2020 %	2019 %	2018 %	Sig. change from 2019	Sig. change from 2018
Positive	53	48	51	Yes	No
Neutral	33	38	35	Yes	No
Negative	13	14	13	No	No
Don't know	1	0	0	No	No

Q5conf How confident are you in the way HMRC are doing their job? Base: All respondents (2018: 2636; 2019: 2582; 2020: 2926).

This small increase in positive ratings for confidence was driven by:

- younger respondents aged 16-34 (where positive ratings have increased from 46% to 55%)
- part-time workers (positive ratings increased from 46% to 57%)
- the self-employed (positive ratings increased from 47% to 57%)
- those who did not use any external help in their dealings with HMRC (positive ratings increased from 48% to 55%)

Individuals who interacted with HMRC in the last 12 months were more likely to say they were confident in HMRC (56%) than those who had no interaction (46%). Confidence was also higher amongst those who had no help in dealing with HMRC (55%) compared with those who used an adviser (46%).

Confidence was strongly linked to views of HMRC's efficiency, effectiveness, and fairness. Between eight and nine in ten Individuals who rated efficiency, effectiveness and fairness positively said they were confident in HMRC (93%, 85% and 83%, respectively), compared with 18%, 15% and 20% of those who rated efficiency, effectiveness and fairness negatively, respectively.

Confidence was also linked to empathy, with 78% of Individuals who felt that HMRC took their personal circumstances into their account having confidence in HMRC (compared with 15% who rated them negatively). Similarly, 80% of those who felt HMRC would help them if they unintentionally made an error also had confidence in HMRC (compared to 16% who rated them negatively).

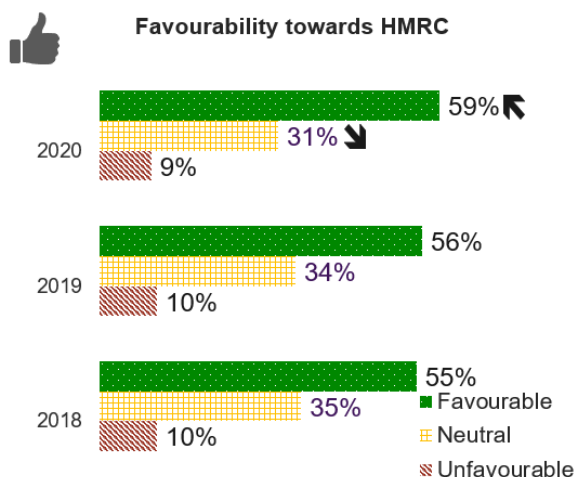
Individuals from ethnic minorities (excluding White minorities) were more positive than those from White backgrounds (67% compared with 53%).

### 3.6.5 Favourability and advocacy

Individuals were asked how **favourable** or unfavourable their overall opinion of HMRC was. Six in ten (59%) had a favourable opinion which remains in line with 2019 (Chart 3.31 and Table 3.31).

#### Chart 3.31 Favourability towards HMRC – Individuals





Q5favor How favourable or unfavourable is your overall opinion of HMRC taking into account everything you think is important? Base: Random half of all respondents who were asked Q5favour and Q5advo (2018: 1709; 2019: 1527; 2020: 1749)

**Table 3.31 Favourability towards HMRC – Individuals**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Favourable	59	56	55	No	Yes
Neutral	31	34	35	No	Yes
Unfavourable	9	10	10	No	No

Q5favor How favourable or unfavourable is your overall opinion of HMRC taking into account everything you think is important? Base: Random half of all respondents who were asked Q5favour and Q5advo (2018: 1709; 2019: 1527; 2020: 1749)

Individuals who interacted with HMRC over the last 12 months were more likely to report a favourable opinion (64%) than those with no interactions (50%), as were PTA users compared with non-users (64% compared with 57%).

Individuals who had no extra support in their dealings with HMRC were more favourable on this measure (62%) than those who used an adviser (52%) while Individuals who interacted online only were more likely to be favourable (70%) than those who used online and telephone (59%). Individuals who gave a positive rating for their overall experience were more likely to be favourable (84%) than those who were neutral (27%) or negative (11%) on this measure. A similar pattern can be seen for other customer experience perception measures.

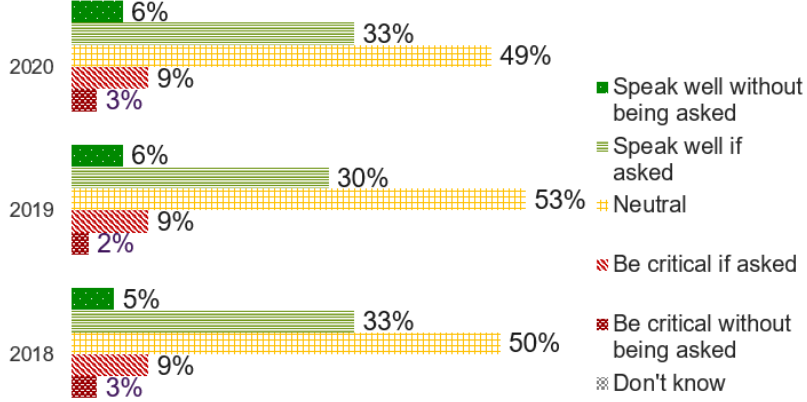
Positive ratings of confidence and favourability were not fully reflected in advocacy levels. Half of Individuals (49%) said they would be neutral about HMRC. Around two in five (39%) reported that they would speak well of HMRC. A third (33%) would do so only if they were asked, whereas 6% cent said that they would express these views even without being asked.

Just over one in ten Individuals (12%) would speak critically of HMRC, the majority of whom would only do so if they were asked (9%). These findings remain in line with those reported in 2019 (Chart 3.32 and Table 3.32).

**Chart 3.32 Whether would speak well of HMRC – Individuals**



### Whether Individuals would speak well of HMRC



Q5advo Which of these phrases best describes the way you would speak about HMRC to other people or organisations?  
Base: Random half of all respondents who were asked Q5favour and Q5advo (2018: 1768; 2019: 1526; 2020: 1750)

**Table 3.32 Whether would speak well of HMRC – Individuals**

	2020 %	2019 %	2018 %	Sig. change from 2019	Sig. change from 2018
Speak well without being asked	6	6	5	No	No
Speak well if asked	33	30	33	No	No
Neutral	49	53	50	No	No
Be critical if asked	9	9	9	No	No
Be critical without being asked	3	2	3	No	No

Q5advo Which of these phrases best describes the way you would speak about HMRC to other people or organisations?  
Base: Random half of all respondents who were asked Q5favour and Q5advo (2018: 1768; 2019: 1526; 2020: 1750)

Advocacy for HMRC was related to whether or not Individuals had interacted with HMRC in the past 12 months. Individuals who had interactions with HMRC were more likely to speak well of HMRC (44% compared with 27% those who had no interactions). PTA users were also more likely to say that would speak well of the organisation (45%) compared with non-users (36%); however, they were also more likely to be critical (16% compared with 10%).

Individuals who rated their overall experience positively were more likely to speak well of HMRC (61%) than those who gave a neutral (16%) or a negative (9%) rating. A similar pattern can be seen for other customer service measures.

Individuals who gave a positive rating to HMRC applying penalties and sanctions equally were more likely to be positive (63%) than those who gave a neutral (29%) or a negative rating (13%). As before, a similar pattern can be seen for other perception measures.

### 3.7 Perceptions of compliance

This section looks at Individuals' perceptions of compliance with the tax system, by assessing their views on the acceptability and extent of tax evasion and tax avoidance, and how effective the HMRC is in preventing or reducing the extent of tax avoidance. No comparative measures are presented for tax avoidance between 2019 and 2018 as the question wording was changed in 2018, following cognitive testing. The question wording used in 2020 was the same as used in 2016, 2017 and 2019.

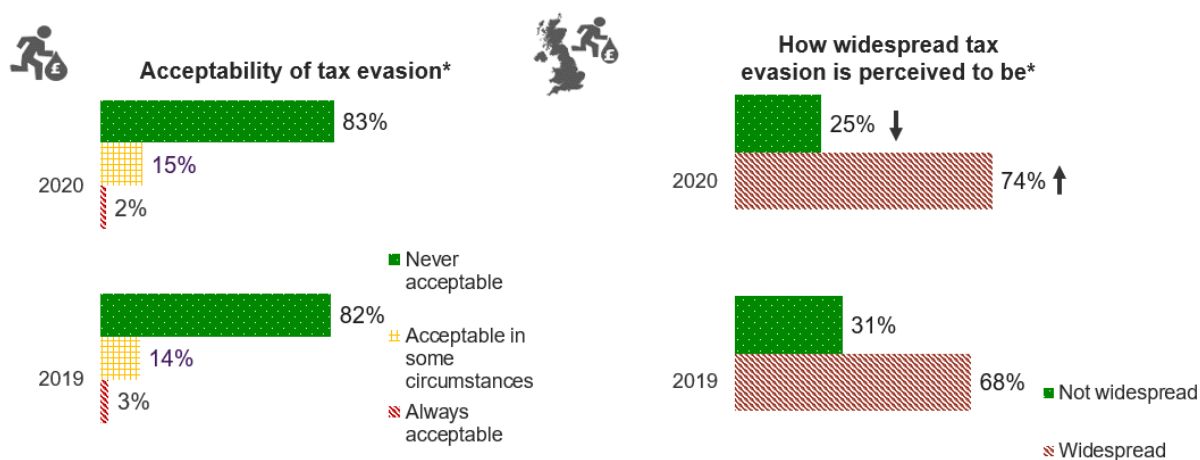
#### 3.7.1 Acceptability and extent of tax evasion

Individuals were asked about the acceptability of people evading tax. Tax evasion was framed as "trying to reduce the amount of tax people have to pay by not telling HMRC about all of their income".

A majority (83%) of Individuals thought that tax evasion was never acceptable. One in seven (15%) believed tax evasion was acceptable in some circumstances, and only 2% thought that tax evasion was always acceptable (Chart 3.33 and Table 3.33). Three in four (74%) Individuals thought tax

evasion was widespread, which represents an increase since 2019 when 68% thought it was widespread (Chart 3.33 and Table 3.33).

**Chart 3.33 Acceptability of tax evasion and perception of how widespread it is – Individuals**



Q6reduce Some people try and reduce the amount of tax they have to pay by not telling HMRC about all of their income. Which of these statements comes closest to your views about people doing this? Base: All respondents (2019: 2609; 2020: 2956); Q6declare In your view, how widespread do you think it is for people to not declare all their income for tax? Base: All respondents (2019: 2601; 2020: 2957).

**Table 3.33 Acceptability of tax evasion and perception of how widespread it is – Individuals**

	2020 %	2019 %	Sig. change from 2019
<b>Acceptability of tax evasion</b>			
Never acceptable	83	82	No
Acceptable in some circumstances	15	14	No
Always acceptable	2	3	No
<b>How widespread tax evasion is perceived to be</b>			
Not widespread	25	31	Yes
Widespread	74	68	Yes

Q6reduce Some people try and reduce the amount of tax they have to pay by not telling HMRC about all of their income. Which of these statements comes closest to your views about people doing this? Base: All respondents (2019: 2609; 2020: 2956); Q6declare In your view, how widespread do you think it is for people to not declare all their income for tax? Base: All respondents (2019: 2601; 2020: 2957).

Adults aged 55 and over were more likely to think tax evasion was never acceptable (85%) compared with younger adults aged 16-34 (80%).

Individuals who gave a positive rating to their overall customer experience were more likely to say tax evasion is never acceptable (85%) than those who gave a negative rating (76%).

Individuals who did not receive any help with their dealings with HMRC were more likely than those who get help from a professional adviser to think that tax evasion was widespread (75% compared with 69%).

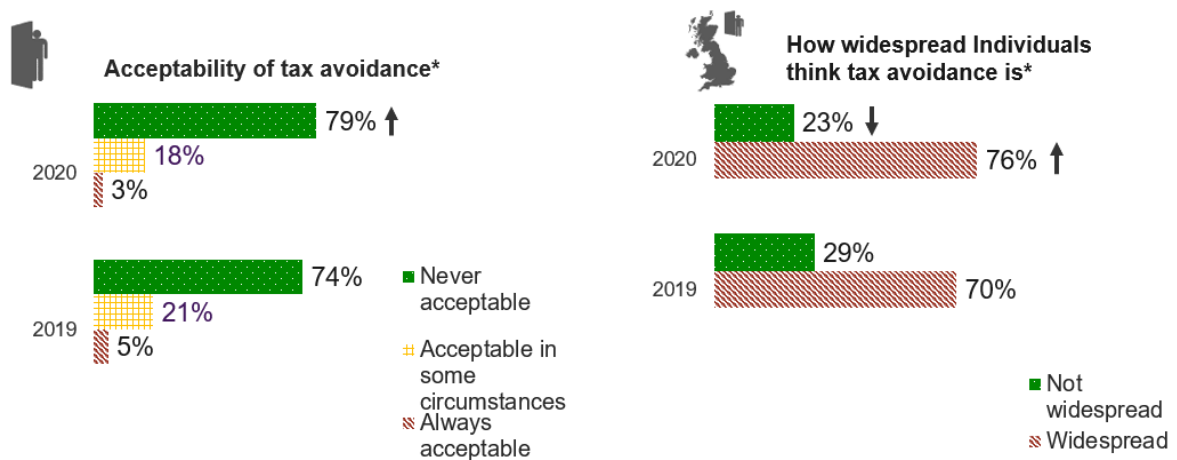
The increase in Individuals saying that tax evasion was widespread can be seen amongst most sub-groups.

### 3.7.2 Acceptability and extent of tax avoidance

Individuals were asked how acceptable and widespread they thought that tax avoidance was. Tax avoidance was framed as “exploiting tax rules to gain a tax advantage that Parliament did not intend – in other words, operating within the letter, but not the spirit of the law”. The 2020 figures can be compared with 2019 but not 2018, due to a change in question wording in 2018. Whilst, the question wording used in 2020 was the same as used in 2016, 2017 and 2019, comparisons cannot be made to 2016 and 2017 due to differences in survey methodology.

Eight in ten (79%) of Individuals believed tax avoidance was never acceptable, an increase from 2019 when 74% held this view. Just under one in five (18%) thought it was acceptable in some circumstances, and 3% thought tax avoidance was always acceptable. Three in four (76%) thought tax avoidance was widespread, while three in ten (23%) thought it was not. The proportion of Individuals who felt that tax avoidance was widespread had increased from 70% in 2019 up to 76% in 2020 (Chart 3.34 and Table 3.34).

**Chart 3.34 Acceptability of tax avoidance and perception of how widespread it is – Individuals**



Q6exploit Some people try to exploit tax rules to gain a tax advantage that Parliament didn't intend – in other words operating within the letter but not the spirit of the law. Avoidance schemes often try to exploit loopholes in the law by using complicated financial arrangements to get an advantage Parliament never intended. Which of these statements comes closest to your views about people doing this? Base: All respondents (2019: 2611; 2020: 2952). Q6behaviour In your view, how widespread do you think this type of behaviour is? By behaviour, we are still referring to the behaviour of trying to exploit the tax rules to gain tax advantage. Base: All respondents (2019: 2598 2020: 2963). \*Questions not asked in 2015. Question wording changed in 2018 following testing, Do not compare with previous years results.

**Table 3.34 Acceptability of tax avoidance and perception of how widespread it is – Individuals**

	2020 %	2019 %	Sig. change from 2019
<b>Acceptability of tax avoidance</b>			
Never acceptable	79	74	Yes
Acceptable in some circumstances	18	21	No
Always acceptable	3	5	No
<b>How widespread Individuals think tax avoidance is</b>			
Not widespread	23	29	Yes
Widespread	76	70	Yes

Q6exploit Some people try to exploit tax rules to gain a tax advantage that Parliament didn't intend – in other words operating within the letter but not the spirit of the law. Avoidance schemes often try to exploit loopholes in the law by using complicated financial arrangements to get an advantage Parliament never intended. Which of these statements comes closest to your views about people doing this? Base: All respondents (2019: 2611; 2020: 2952). Q6behaviour In your view, how widespread do you think this type of behaviour is? By behaviour, we are still referring to the behaviour of trying to exploit the tax rules to gain tax advantage. Base: All respondents (2019: 2598 2020: 2963). Questions not asked in 2015. Question wording changed in 2018 following testing, Do not compare with previous years results.

There were no notable sub-group differences for views on acceptability of tax avoidance.

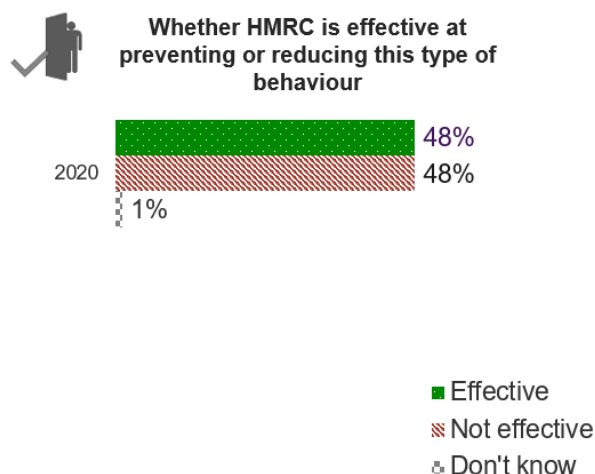
Individuals in full-time employment (80%) were more likely to agree that tax avoidance was widespread than those who were self-employed (69%) or not working (75%). Those who had no help or only informal help with their dealings with HMRC were more likely to agree that tax avoidance was widespread than those who used an adviser (77% compared with 69%).

The increase in the propensity to feel that tax avoidance is widespread was driven by younger respondents aged 16 to 34 (63% in 2019 compared with 76% in 2020).

### 3.7.3 Perceptions of effectiveness at preventing or reducing tax avoidance

Asked for the first time in 2020, a half (48%) of Individuals thought that the HMRC is effective in its efforts to prevent or reduce tax avoidance, while 48% disagreed (Chart 3.35 and Table 3.35).

### Chart 3.35 Perceptions of effectiveness at preventing or reducing tax avoidance – Individuals



Q6challenge. How effective do you think HMRC is in preventing or reducing this type of behaviour. Base: Random half of sample (2020: 1169).

**Table 3.35 Perceptions of effectiveness at preventing or reducing tax avoidance – Individuals**

	2020 %
Effective	48
Not effective	48
Don't know	1

Q6challenge. How effective do you think HMRC is in preventing or reducing this type of behaviour. Base: Random half of sample (2020: 1169).

Younger respondents aged 16 to 34 were more likely to say that HMRC was effective at tackling tax avoidance than older respondents aged 55+ (52% compared with 42% respectively). Respondents who had a positive overall experience of dealing with HMRC were more likely to rate HMRC positively on this measure (56%) compared with those who were neutral (38%) or negative (24%).

Views on effectiveness of tackling tax avoidance were related to views of how widespread people thought this was. Individuals who thought that tax avoidance was not widespread were more likely to think HMRC was effective than those that thought it was widespread (68% compared with 41% respectively).

# 4. Small Businesses

## 4.1 Chapter Summary

Fieldwork for the Small Business survey took place during the Covid-19 pandemic. Three quarters (76%) of Small Businesses had applied for a Government Covid-19 support scheme and 96% of those were granted support.

There was an increase in the proportion of Small Businesses only interacting with HMRC through online channels (up from 46% in 2019 up to 58% in 2020). A quarter (26%) had contact by online and telephone channels (no change since 2019). Only a small proportion (2%, down from 4% in 2019) used the telephone only. Positive ratings of HMRC web pages increased since 2019 (from 70% to 76%) as did ratings of HMRC other online services (72% to 79%).

Over eight in ten (82%) Small Businesses had a positive overall experience of dealing with HMRC in 2020, an increase since 2019 (75%). The smallest businesses (turnover of up to £40,000), those who only had contact through online channels and those who had applied to use a Government Covid-19 support scheme were most positive. The increase in ratings may be explained by two factors: an improvement in ratings amongst those with 10-19 employee which may be linked to the uptake of Government Covid-19 support schemes (as uptake was high in this group) and by the increase in the proportion interacting online with HMRC since 2019.

In order to improve overall experience for Small Business customers, the primary areas for improvement are:

- resolving queries or issues (76% positive)
- ease of finding information (68% positive)

Since 2019 there were improvements in positive ratings on all dimensions of customer experience.

Perceptions of HMRC's reputation have changed since 2019, with an increase in positive ratings on all dimensions of reputation.

The proportion of Small Businesses reporting it is never acceptable to avoid tax has increased by four percentage points from 69% in 2019 up to 73% in 2020.

Small Businesses were asked about their awareness of the further roll out of Making Tax Digital (MTD), from April 2022. Over half (53%) reported that they knew about the changes. Businesses who pay VAT but are below the VAT threshold will be impacted by the changes from April 2022: 61% of these businesses knew at least something. Businesses with a turnover of £10,000 or more who pay ITSA will be impacted by the changes in April 2023 and 44% of these businesses were aware of the changes.



## 4.2 Profile of Small Businesses

This section presents the profile of Small Businesses surveyed in 2020. It covers businesses' interactions with HMRC and taxes paid over the previous 12 months. This section also explores agent usage and Small Businesses' perceptions of how easy HMRC made it for someone else to act on behalf of their business. This provides useful context for the later sections of the chapter which explore customer experience and general perceptions of HMRC.

### 4.2.1 Demographic profile

The profile of the Small Business population remains broadly in line with the baseline survey in 2015 and the 2019 survey.

The majority of Small Businesses had fewer than 5 employees (85%). Just under half (49%) had 0 employees and over a third had between 1 and 4 employees (36%). This is a small change from 2019 where 44% had 0 employees and 40% had between 1 and 4 employees. Nearly one in ten (9%) had between 5 and 9 employees and six per cent were in the largest size band with between 10 and 19 employees.

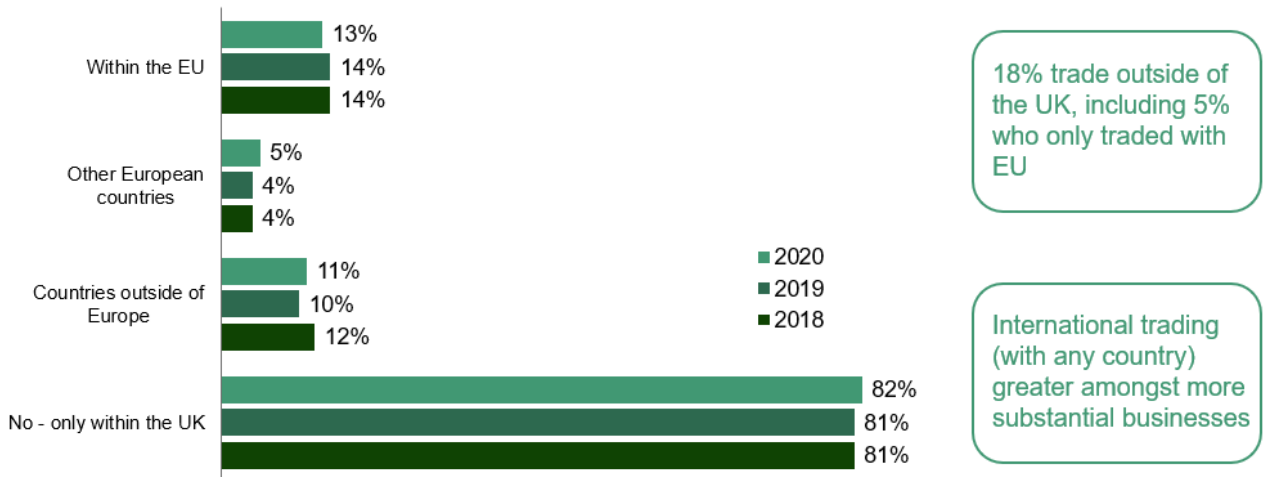
Around half of Small Businesses (52%) had a turnover between £8,650 and £85,000 and therefore were below the threshold where it is mandatory for businesses to register for VAT.

Three in five (61%) were self-employed Small Businesses. There was a strong correlation between whether a business was self-employed and the number of employees: 87% of those with 0 employees and 44% of those with 1-4 employees said they were self-employed, compared with 10% of those with 10-19 employees. Similarly, self-employed Small Businesses tended to have lower turnovers. Nine in ten of those with a turnover of up to £20,000 reported they were self-employed, compared with only 16% of those with a turnover over £500,000.

A small number (4%) were classed as new businesses that had been trading for two years or less.

Small Businesses were asked whether they bought or sold any goods or services overseas, from the regions shown in Chart 4.1 and Tables 4.1a and 4.1b. Eight in ten (82%) said they only traded within the UK. Around one in eight (13%) traded within the EU, 5% per cent traded with other European countries and 11% with countries outside of Europe. There was little change in trading patterns since 2019.

**Chart 4.1 Whether buy or sell goods overseas – Small Businesses**



Q7overseas Does your business currently buy or sell any goods or services overseas from any countries.....?  
 Base: All respondents (2018: 2701; 2019: 2700; 2020: 2700) \*Businesses could give multiple responses, unless they only traded in the UK

**Table 4.1a Whether buy or sell goods overseas – Small Businesses**

	2020 %
Outside of the UK (Net)	18
With the EU only	5

Q7overseas Does your business currently buy or sell any goods or services overseas from any countries.....?  
 Base: All respondents (2020: 2700) \*Businesses could give multiple responses, unless they only traded in the UK

**Table 4.1b Whether buy or sell goods overseas – Small Businesses**

	2020 %	2019 %	2018 %	Sig. change from 2019	Sig. change from 2018
Within the EU	13	14	14	No	No
Other European countries	5	4	4	No	No
Countries outside of Europe	11	10	12	No	No
No – only within the UK	82	81	81	No	No

Q7overseas Does your business currently buy or sell any goods or services overseas from any countries.....?  
 Base: All respondents (2018: 2701; 2019: 2700; 2020: 2700) \*Businesses could give multiple responses, unless they only traded in the UK

Overseas trade was more common in larger businesses. Small Businesses with a turnover of £500,000 or more were more likely to trade outside the UK (35%) than those with a turnover of £85,000 - £500,000 (23%) and £85,000 or less (10%).

## 4.2.2 Taxes paid

Small Businesses were asked which taxes their business had paid in the previous 12 months (Chart 4.2 and Table 4.2).

Most paid business taxes (93%) and six in ten paid payroll taxes and benefits (56%). A small proportion of Small Businesses only paid payroll taxes and benefits (3%). There were no significant changes in these proportions from previous years.

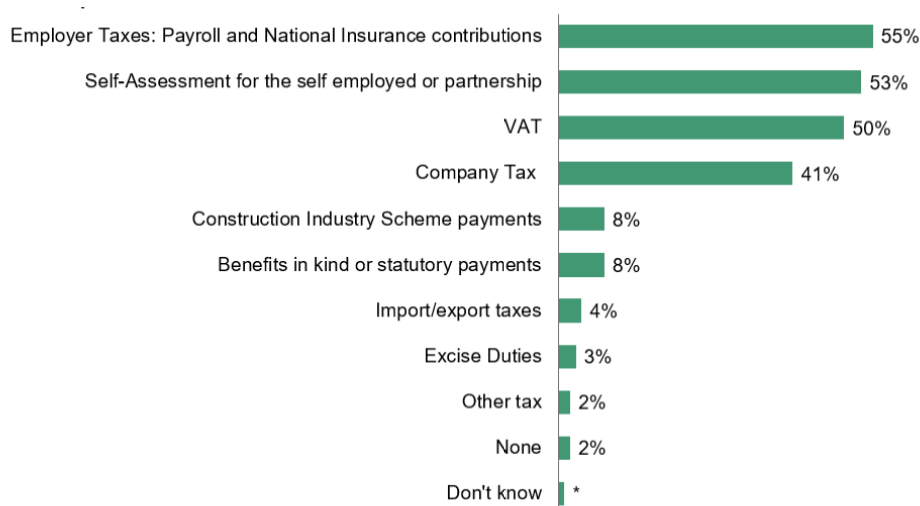
Small Businesses were most likely to have paid:

- employer taxes: Payroll and National Insurance contributions (55%)
- Self-Assessment (53%)
- VAT (50%)
- company Tax (41%)

Those with a turnover above £85,000 were more likely to report they paid PAYE (88%), VAT (91%) and Company Tax (72%) compared with those with turnover below £85,000 (32%, 20% and 19% respectively). Payment of Self-Assessment was more common among those with turnovers up to £40,000 (81%) compared with 34% of those with turnover above £40,000.

The taxes Small Businesses paid in 2020 remained largely unchanged since 2019, apart from a decrease from 59% in 2019 up to 55% in 2020 for Payroll and National Insurance contributions.

### Chart 4.2 Taxes paid over the last 12 months – Small Businesses



Q2tax Taxes business has paid over last 12 months Base: All respondents (2020: 2700)

**Table 4.2 Taxes paid over the last 12 months – Small Businesses**

	<b>2020</b>
	<b>%</b>
Employer Taxes: Payroll and National Insurance contributions	55
Self-Assessment for the self-employed or partnership	53
VAT	50
Company Tax	41
Construction Industry Scheme payments	8
Benefits in kind or statutory payments	8
Import/ export taxes	4
Excise Duties	3
Other tax	2
None	2
Don't know	0

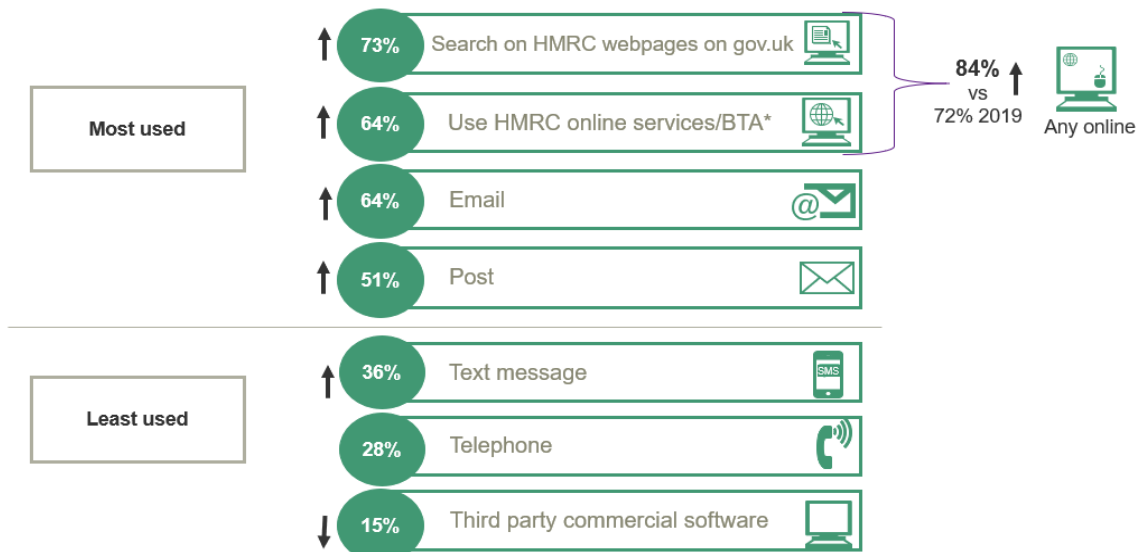
Q2tax Taxes business has paid over last 12 months Base: All respondents (2020: 2700)

#### 4.2.3 Channels used to interact with HMRC

Small Businesses were asked about the ways they had dealt with HMRC in the previous 12 months (Chart 4.3 and Tables 4.3a and 4.3b). Dealing with HMRC was defined as where they had made contact with HMRC, received information from HMRC or made use of HMRC's online services.

Small Businesses continued to contact HMRC through a range of channels with 85% making contact through multiple channels over the past twelve months (an increase from 74% in 2019). One in ten (10%) made contact using only one channel (down from 17% in 2019) and 4% said they had not made any contact (down from 9% in 2019).

**Chart 4.3 Contact channels used with HMRC – Small Businesses**



Q2cont In which of the following ways have you had any dealings with HMRC over the last 12 months? Base: All respondents (2020: 2700); \*Note that the question changed in 2018 to ask about Business Tax Account and other online services. Arrows refer to changes between 2019 and 2020 surveys.

**Table 4.3a Contact channels used with HMRC – Small Businesses**

	2020 %	2019 %	Sig. change from 2019
Interacted with HMRC online (Net)	84	72	Yes

Q2cont In which of the following ways have you had any dealings with HMRC over the last 12 months? Base: All respondents (2020: 2700); \*Note that the question changed in 2018 to ask about Business Tax Account and other online services.

**Table 4.3b Contact channels used with HMRC – Small Businesses**

	2020 %	Sig. change from 2019
<b>Most used</b>		
Search on HMRC webpages on gov.uk	73	Yes, increase
Use HMRC online services/BTA*	64	Yes, increase
Email	64	Yes, increase
Post	51	Yes, increase
<b>Least used</b>		
Text message	36	Yes, increase
Telephone	28	No

	2020 %	Sig. change from 2019
Third party commercial software	15	Yes, decrease

Q2cont In which of the following ways have you had any dealings with HMRC over the last 12 months? Base: All respondents (2020: 2700); \*Note that the question changed in 2018 to ask about Business Tax Account and other online services.

As shown in Chart 4.3 and Table 4.3a, over eight in ten (84%) Small Businesses had any online contact, up from 72% in 2019 (online contact was defined as using webpages, online services or the Business Tax Account – it did not include email contact). Use of webpages rose from 60% in 2019 up to 73% in 2020 and use of online services / Business Tax Account (BTA) increased from 58% in 2019 up to 64% in 2020. The BTA was introduced as a standalone response code in 2018, having previously been included in HMRC online services. Nearly half (48%) of Small Businesses used the BTA, an increase since 2019 (45%).

There have been substantial increases in the use of email since 2019 (64% 2020; 50% 2019), text message (36% 2020; 26% 2019) and a small increase in the use of post (51% 2020; 48% 2019). There was a small reduction in the use of third party commercial software (15% 2020; 17% 2019) and no change in the use of telephone (28%).

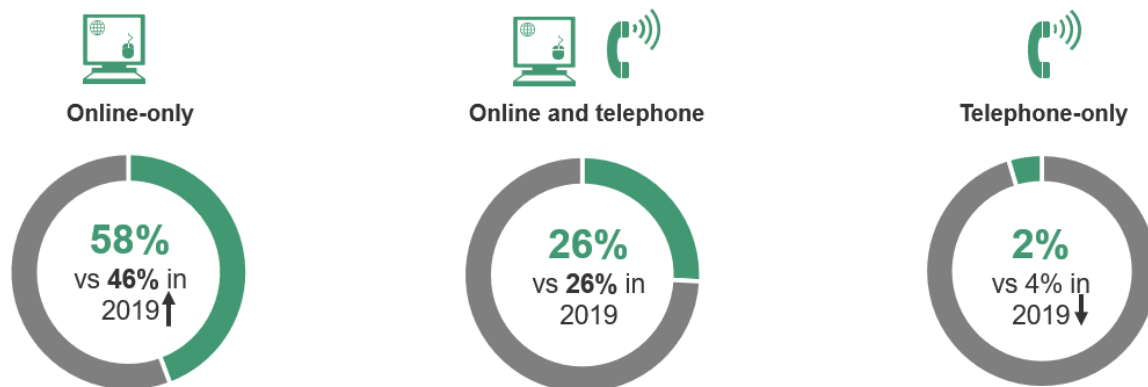
Nearly six in ten (58%) had contact through online channels only and a quarter (26%) had contact by online and telephone channels, as shown in Chart 4.4 and Table 4.4. Two per cent contacted HMRC by telephone and did not use any online channels. The proportion of Small Businesses only interacting through online channels increased substantially from 2019 up to 2020 (up from 46% to 58%) compared with only a 4% increase between 2018 and 2019. There was no change in the proportion interacting by telephone and online and there was a slight decrease for those using telephone only (from 4% in 2019 up to 2% in 2020).

Use of any online contact channels was more common among those who did not outsource any accounting to agents, or only some (93% of those who do not outsource any accounting and 91% who outsourced some, compared with 71% who outsourced everything).

The increase in any online contact since 2019 was among those who interacted online only (46% to 58%). The increase in online only interactions in turn has been driven by businesses with a turnover up to £40,000 (66% 2020; 49% 2019), compared with no change for those with a turnover over £500,000.

Smaller businesses (those with up to £40,000 turnover or 0 employees) were more likely to interact online only with HMRC than larger businesses (66% of those with a turnover up to £40,000 compared with 55% of those with a higher turnover; 48% of those with 0 employees compared with 41% with 10-19 employees). Conversely, the largest businesses (those with a turnover above £500,000 or 10-19 employees) were more likely to use a mix of online and telephone contact (41% and 47%). Those Small Businesses that applied for a Government Covid-19 support scheme (28%) were also more likely to use online and telephone methods of contact than those who did not apply for any Government Covid-19 support scheme (20%).

#### **Chart 4.4 Online and telephone channels of contact – Small Businesses**



Q2cont In which of the following ways have you had any dealings with HMRC over the last 12 months? Base: All respondents (2020: 2700) Arrows refer to changes between 2019 and 2020 surveys.

**Table 4.4 Online and telephone channels of contact – Small Businesses**

	2020 %	2019 %	Sig. change from 2019
Online-only	58	46	Yes
Online and telephone	26	26	No
Telephone-only	2	4	Yes

Q2cont In which of the following ways have you had any dealings with HMRC over the last 12 months? Base: All respondents (2020: 2700)

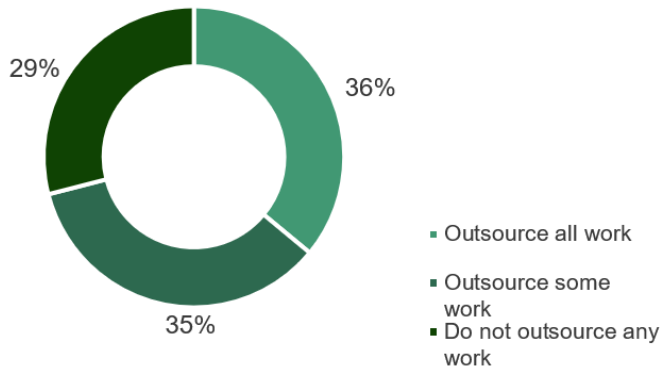
#### 4.2.4 Agent usage

Over two-thirds (71%) of Small Businesses used an agent to deal with some or all of their tax affairs (Chart 4.5 and Table 4.5). In line with 2019, 36% outsourced all work to agents and 35% outsourced some work. Three in ten (29%) did all work within the business (Chart 4.5 and Table 4.5).

Over eight in ten (83%) of Small Businesses that used an agent for some or all work gave a positive rating of how easy HMRC made it for someone else to act on their behalf, up from 76% in 2019. Only 2% gave a negative rating.

**Chart 4.5 Whether outsource work to an agent – Small Businesses**

**Whether outsource any accounts, payroll or tax work**



Q1agent And thinking about the work your business needs to undertake for its accounts, payroll and tax, do you do it all within the business or do you outsource some or all of it to an accountant, tax agent or payroll bureau? Base: All respondents (2020: 2700)

**Table 4.5 Whether outsource work to an agent – Small Businesses**

	<b>2020</b>
	<b>%</b>
Outsource all work	36
Outsource some work	35
Do not outsource any work	29

Q1agent And thinking about the work your business needs to undertake for its accounts, payroll and tax, do you do it all within the business or do you outsource some or all of it to an accountant, tax agent or payroll bureau? Base: All respondents (2020: 2700)

The following were more likely to do all work in-house:

- Small Businesses with 0 employees (39%) and also those with 10-19 employees (25%), compared with those with 1-4 employees (18%) and 5-9 employees (15%)
- businesses that used the BTA (40%) compared with Small Businesses that did not use the BTA (19%)

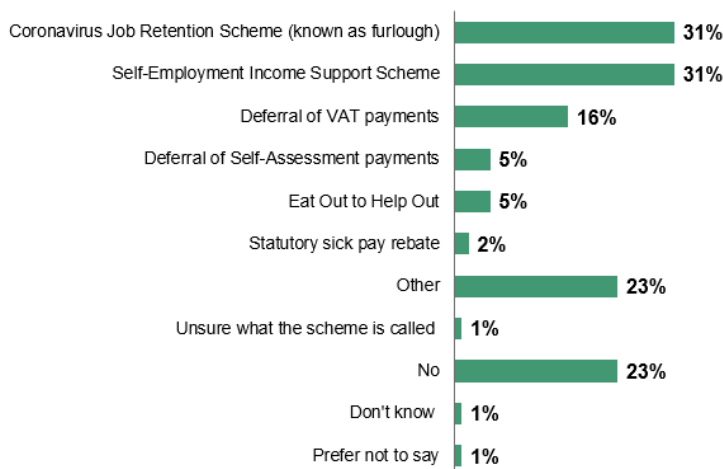
### 4.3 Use of Government Covid-19 support schemes

As discussed in section 2.3.2 fieldwork for the Small Business survey took place between September and November 2020, during which time a range Covid-19 of Government support schemes were available for businesses affected by the pandemic. Overall, three-quarters (76%) of Small Businesses applied for at least one Government Covid-19 support scheme at some point since the introduction of the schemes. Just over three in ten applied for the Coronavirus Job Retention Scheme (CJRS) (known as furlough) and the same proportion applied for the Self-Employment Income Support Scheme (SEISS) (31% for both). Sixteen per cent applied for deferral of VAT payments. Small proportions of Small Businesses applied for deferral of Self-Assessment payments (5%), the Eat Out to Help Out scheme (5%) and Statutory sick pay rebate (2%). A



significant minority said they had applied for 'other' types of scheme (23%) (Chart 4.6 and Table 4.6).

**Chart 4.6 Whether applied for a Government COVID-19 support scheme – Small Businesses**



Q7covid. Did you apply to use any of the following government schemes which were designed to support your business through the COVID-19 pandemic? Base: All respondents. (2020: 2700)

**Table 4.6 Whether applied for a Government COVID-19 support scheme – Small Businesses**

	2020 %
Coronavirus Job Retention Scheme (known as furlough)	31
Self-Employment Income Support Scheme	31
Deferral of VAT payments	16
Deferral of Self-Assessment payments	5
Eat Out to Help Out	5
Statutory sick pay rebate	2
Other	23
Unsure what the scheme is called	1
No	23
Don't know	1
Prefer not to say	1

Q7covid. Did you apply to use any of the following government schemes which were designed to support your business through the COVID-19 pandemic? Base: All respondents. (2020: 2700)

The largest businesses - those with turnover over £500,000 and those with 10-19 employees - were most likely to have applied for a Government Covid-19 support scheme (83% and 94% respectively). However, the breakdown by business size varies between the types of scheme applied for (in line with the taxes they paid, as discussed at section 4.2.2):

- larger businesses were more likely to have applied for the CJRS (45% of businesses with a turnover of £40,000 rising to 72% of those with a turnover above £500,000) and deferral of VAT payments (9% of businesses with a turnover of £40,000 rising to 38% of those with a turnover above £500,000)
- businesses with turnovers up to £85,000 were more likely to have applied for the SEISS (53% compared to 3% of those with a turnover over £85,000) and deferral of Self-Assessment payments (9% compared to 1% of those with a turnover over £85,000)

Almost all of those who applied were granted support (96%):

- 97% of all those who applied for support from the CJRS received support this scheme (which equates to 30% of all Small Businesses)
- 94% of all those who applied for support from SEISS received supported (29% of all Small Businesses)
- 91% who applied for support from the deferral of VAT payments received it (14% of all Small Businesses)
- just over seven in ten (72%) who applied for support from the deferral of Self-Assessment payments received it (4% of all Small Businesses)

## 4.4 Customer Experience

This section will discuss Small Businesses' ratings of HMRC's contact channels and overall customer experience. The contact channels customers were asked to rate included HMRC online services, HMRC webpages, the Business Tax Account (BTA) and telephone helplines.

This section also examines specific dimensions of customer experience and identifies those areas which are priority areas for HMRC to improve customer experience as well as secondary areas to improve or areas to maintain.

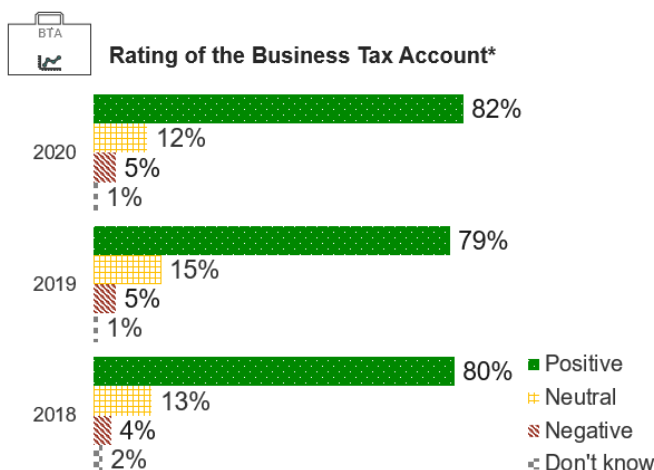
Finally, it discusses views of HMRC's tax administration: whether HMRC treated them fairly, made it easy for them to deal with tax issues, whether services were personalised to them, whether online services were joined up and integrated with their existing business processes, whether HMRC treated customers empathetically and how well they dealt with resolving errors they had made.

### 4.4.1 Rating of service

Small Businesses that had contact with HMRC over the phone were asked to rate their experience of the telephone helplines. Similarly, those that had a BTA, searched for information on HMRC webpages on gov.uk or used any other HMRC online services were asked to rate their experiences of using these online services. As in previous years<sup>14</sup>, online services were generally rated more positively than the telephone helpline.

Small Businesses were asked to rate the BTA for the first time in 2018. In 2020, eight in ten (82%) Small Businesses gave the BTA a positive rating; only 5% gave a negative rating. There was no change from 2019 or 2018. (Chart 4.7 and Table 4.7).

**Chart 4.7 Rating of the Business Tax Account – Small Businesses**



Q2contexp You said you had contact with HMRC [by telephone / by telephone and online / online]. Please rate your experiences over the last 12 months of the [other] HMRC online services that you used. Base: Respondents who dealt with HMRC through the Business Tax Account (2015: 1001; 2018: 971; 2019: 881; 2020: 1304).

**Table 4.7 Rating of the Business Tax Account – Small Businesses**

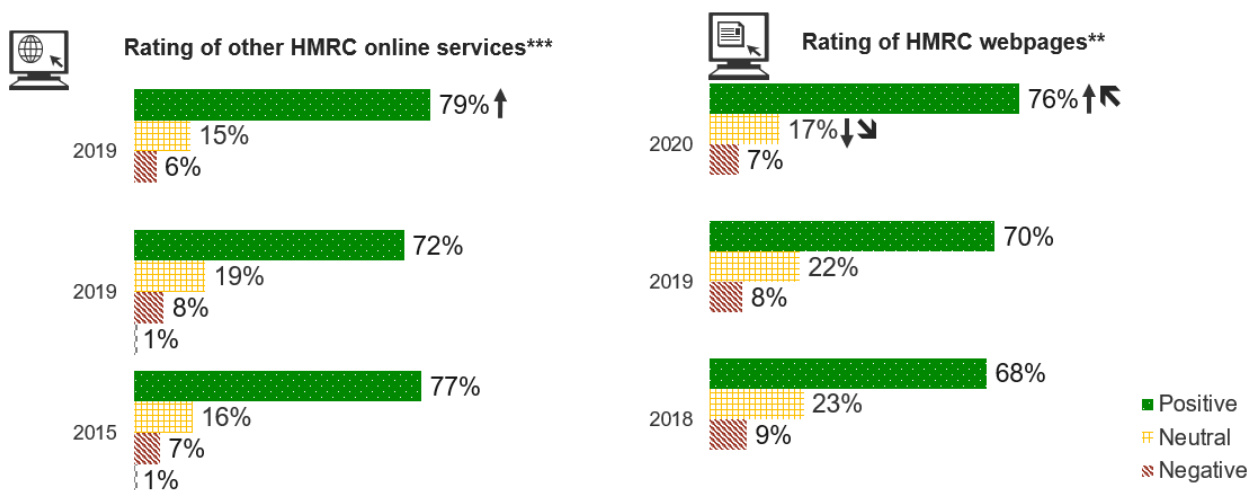
	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	82	79	80	No	No
Neutral	12	15	13	No	No
Negative	5	5	4	No	No
Don't know	1	1	2	No	No

Q2contexp You said you had contact with HMRC [by telephone / by telephone and online / online]. Please rate your experiences over the last 12 months of the [other] HMRC online services that you used. Base: Respondents who dealt with HMRC through the Business Tax Account (2015: 1001; 2018: 971; 2019: 881; 2020: 1304).

<sup>14</sup> This link takes you to the report for the HMRC Individuals, Small business and Agents customer survey 2019: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/933105/HMRC\\_research\\_report\\_585\\_ISBA\\_customer\\_survey\\_2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/933105/HMRC_research_report_585_ISBA_customer_survey_2019.pdf)

Over three-quarters (76%) rated HMRC's webpages positively and nearly eight in ten (79%) did so for other online services. Ratings for both increased since 2019, from 70% to 76% for webpages and 72% to 79% for other online services. (Chart 4.8 and Tables 4.8a and 4.8b).

**Chart 4.8 Rating of HMRC online services – Small Businesses**



Q2contexp You said you had contact with HMRC [by telephone / by telephone and online / online]. Please rate your experiences over the last 12 months of: Base: Respondents who dealt with HMRC through HMRC's webpages (2018: 1514; 2019: 1717; 2020: 1989). Base: Respondents who dealt with HMRC through HMRC's online services (2015: 1777; 2019: 881; 2020: 1083). \*\*This question was not asked in 2015. \*\*\*This question was changed in 2017 and is not comparable to past data.

**Table 4.8a Rating of HMRC online services – Small Businesses**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
<b>Rating of other HMRC online services*</b>					
Positive	79	72	77	Yes	No
Neutral	15	19	16	No	No
Negative	6	8	7	No	No
Don't know	0	1	1	No	No

Q2contexp You said you had contact with HMRC [by telephone / by telephone and online / online]. Please rate your experiences over the last 12 months of: Base: Respondents who dealt with HMRC through HMRC's online services (2015: 1777; 2019: 881; 2020: 1083). \*This question was changed in 2017 and is not comparable to past data.

**Table 4.8b Rating of HMRC online services – Small Businesses**

	2020 %	2019 %	2018 %	Sig. change from 2019	Sig. change from 2018
<b>Rating of HMRC webpages*</b>					
Positive	76	70	68	Yes	Yes
Neutral	17	22	23	Yes	Yes
Negative	7	8	9	No	No

Q2contexp You said you had contact with HMRC [by telephone / by telephone and online / online]. Please rate your experiences over the last 12 months of: Base: Respondents who dealt with HMRC through HMRC's webpages (2018: 1514; 2019: 1717; 2020: 1989). \*\*This question was not asked in 2015.

Those that interacted with HMRC using online only channels were more positive than those that used both online and telephone channels:

- nearly nine in ten (87%) Small Businesses that interacted with HMRC using online only channels were positive about the BTA, compared with 74% of those that used both online and telephone
- eight in ten (80%) of Small Businesses that interacted with HMRC using online only channels were positive about HMRC's webpages on gov.uk, compared with 67% of those that used both online and telephone
- over eight in ten (85%) of Small Businesses that interacted with HMRC using online only channels were positive about HMRC's other online services, compared with 69% of those that used both online and telephone

Those who applied to use Government Covid-19 support schemes were more positive about HMRC services than those that had not:

- over eight in ten Small Businesses who applied for a Government Covid-19 support scheme were positive about the BTA (84%), compared with 77% of those who did not
- nearly eight in ten Small Businesses who applied to use Government Covid-19 support schemes (77%) rated HMRC's webpages positively, compared with 70% of those who did not
- eight in ten (81%) Small Businesses who applied for a Government Covid-19 support scheme were positive about HMRC's other online services, compared with 71% of those who did not

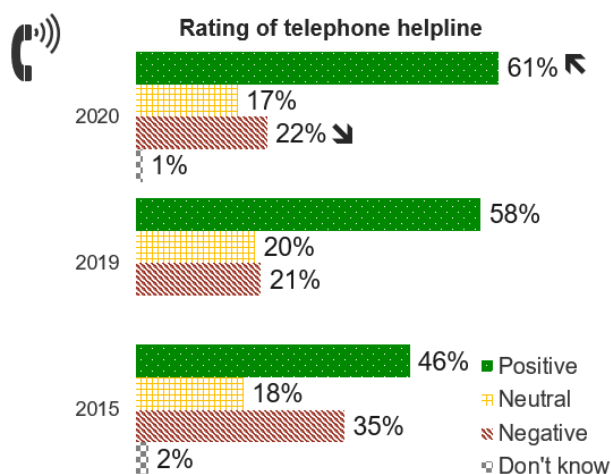
Over 90% of those that gave positive ratings across a range experience measures (their overall experience, the ease of dealing with tax issues, HMRC providing tailored services) also gave a positive rating of their Business Tax Account, HMRC webpages on gov.uk and other online.

Size of business affected views of webpages and the BTA. Small Businesses with a turnover of £40,000 or less were more positive about webpages (83%) compared to those with a turnover above £85,000 (70%). For the BTA, Small Businesses with 0 employees were the most positive group (86%). Those who were self-employed were also more likely to be positive about the BTA (86%) than those who were not (77%).

The increase in positive ratings since 2019 for webpages and other online services may be explained by the increase in the proportion of businesses interacting using online only channels since 2019 (discussed in section 4.2.3), because those interacting through online only channels gave more positive ratings of HMRC webpages and other online services.

HMRC’s telephone helpline was the least positively rated contact channel, with just over six in ten (61%) giving a positive rating. However, the increase in positive ratings and decrease in negative ratings since 2015 have been maintained (Chart 4.9 and Table 4.9). In 2020, 61% gave a positive rating, up from 46% in 2015.

**Chart 4.9 Rating of telephone helplines – Small Businesses**



Q2contexp You said you had contact with HMRC [by telephone / by telephone and online / online]. Please rate your experiences over the last 12 months of the telephone helpline: Base: Respondents who dealt with HMRC by telephone (2015: 1001; 2019: 913; 2020:820).

**Table 4.9 Rating of telephone helplines – Small Businesses**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	61	58	46	No	Yes
Neutral	17	20	18	No	No
Negative	22	21	35	No	Yes
Don't know	1	0	2	No	No

Q2contexp You said you had contact with HMRC [by telephone / by telephone and online / online]. Please rate your experiences over the last 12 months of the telephone helpline: Base: Respondents who dealt with HMRC by telephone (2015: 1001; 2019: 913; 2020:820).

There was no improvement in ratings of the telephone helpline from 2019, despite the ratings for other measures having improved. This could be because, as per HMRC’s performance data, call wait times have gone up during the pandemic.<sup>15</sup>

Businesses with smaller turnovers were the most likely to give a positive rating for the telephone helpline: 76% with a turnover of up to £20,000 compared with 52% with a turnover above £500,000.

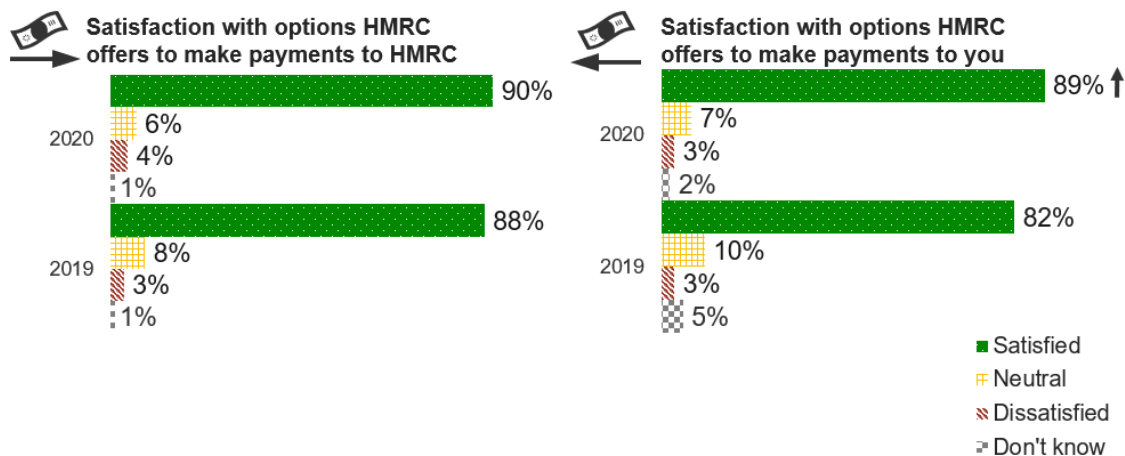
Similarly to other contact channels, those that were positive about HMRC across a range of other measures (their overall experience, the ease of dealing with tax issues and HMRC providing tailored services) were also more likely to give a positive rating for the telephone helpline, than those that gave a neutral or negative rating on other measures. For example, 74% of those who gave a positive rating for overall experience rated the telephone helpline positively, compared with 29% who had a neutral overall experience and 11% who had a negative overall experience.

#### 4.4.2 Satisfaction with payment methods available

Small Businesses were asked about their satisfaction with payment methods for making payments to, or receiving payments from, HMRC. This was asked for the first time in 2019.

Satisfaction with options to make payments was high (90%), as it was in 2019. Businesses that gave a positive rating for their overall experience (93%) and for ease of dealing with tax issues (94%) were more likely to give a positive rating compared with businesses that gave a neutral or negative rating (77% for each – Chart 4.10 and Table 4.10).

**Chart 4.10 Satisfaction with payment methods to make payments to HMRC – Small Business**



Q6paymethdsmake On a scale of 1-5, where 5 is very satisfied and 1 is very dissatisfied, please rate how satisfied you are with the options HMRC offers you to make payments to HMRC. Base: Half of Sample (2019: 1335; 2020: 1357).  
 Q6paymethdsreceive On a scale of 1-5, where 5 is very satisfied and 1 is very dissatisfied, please rate how satisfied you are with the options HMRC offers to make payments to you. Base: Half of Sample (2019: 1335; 2020: 1321).

<sup>15</sup> This link takes you to HMRC’s annual report and accounts for 2019 to 2020: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/932874/HMRC\\_Annual\\_Report\\_and\\_Accounts\\_2019\\_to\\_2020\\_Print\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932874/HMRC_Annual_Report_and_Accounts_2019_to_2020_Print_.pdf)

**Table 4.10 Satisfaction with payment methods to make payments to HMRC – Small Business**

	2020 %	2019 %	Sig. change from 2019
<b>Satisfaction with options HMRC offers to make payments to HMRC</b>			
Satisfied	90	88	No
Neutral	6	8	No
Dissatisfied	4	3	No
Don't know	1	1	No
<b>Satisfaction with options HMRC offers to make payments to you</b>			
Satisfied	89	82	Yes
Neutral	7	10	No
Dissatisfied	3	3	No
Don't know	2	5	No

Q6paymethdsmake On a scale of 1-5, where 5 is very satisfied and 1 is very dissatisfied, please rate how satisfied you are with the options HMRC offers you to make payments to HMRC. Base: Half of Sample (2019: 1335; 2020: 1357).

Q6paymethdsreceive On a scale of 1-5, where 5 is very satisfied and 1 is very dissatisfied, please rate how satisfied you are with the options HMRC offers to make payments to you. Base: Half of Sample (2019: 1335; 2020: 1321).

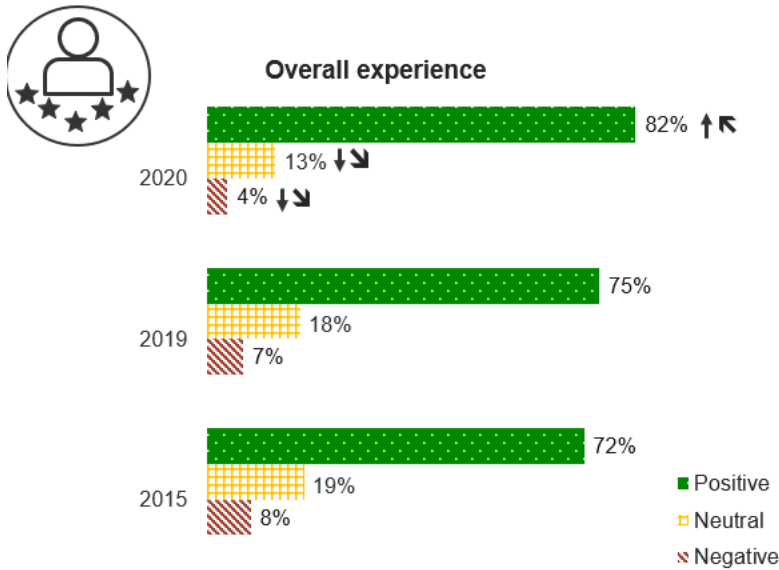
Satisfaction with options to receive payments was also high (89%) and increased since 2019 (82%). Businesses that gave a positive rating for their overall experience (92%), for ease of dealing with tax issues (93%) and for HMRC providing tailored services (95%) were more likely to give a positive rating compared with businesses that gave a negative rating on those measures (72%, 64% and 70% respectively).

#### 4.4.3 Overall rating of customer experience

Small Businesses were asked to rate their overall experience of interacting with HMRC based on all of their interactions over the previous 12 months. Over eight in ten (82%) were positive about their overall experience (Chart 4.11 and Table 4.11), an increase since 2019 (75%). It is important to note that these were views expressed by those Small Businesses who were still trading at the time of the interview.



**Chart 4.11 Rating of overall experience – Small Businesses**



Q3overall Thinking of all your experiences of HMRC over the last 12 months, please rate HMRC overall. Base: All respondents (excluding Not applicable) (2015: 2800; 2016: 2736; 2017: 2759; 2018: 2549; 2019: 2578; 2020: 2635).1% of respondents in 2015, 2016, 2017 and 2018 and fewer than 0.5% in 2019 and 2020 selected Don't Know.

**Table 4.11 Rating of overall experience – Small Businesses**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	82	75	72	Yes	Yes
Neutral	13	18	19	Yes	Yes
Negative	4	7	8	Yes	Yes

Q3overall Thinking of all your experiences of HMRC over the last 12 months, please rate HMRC overall. Base: All respondents (excluding Not applicable) (2015: 2800; 2019: 2578; 2020: 2635).1% of respondents in 2015 and fewer than 0.5% in 2019 and 2020 selected Don't Know.

Small Businesses who used online channels only were more likely to have a positive overall customer experience than those who used online and telephone channels (87% compared to 73%). This was also the case in 2019.

Smaller businesses (e.g. with turnover of up to £40,000) were more likely to have a positive overall customer experience (90%) compared to larger businesses (e.g. turnover of over £85,000 – 76%). This was also evident in related characteristics: those who were not VAT mandated were more likely to have a positive overall customer experience than those who were VAT mandated (86%

compared with 75%). Self-employed Small Businesses were also more likely to have a positive overall customer experience than those who were not (86% compared with 76%).

Small Businesses who had applied to use a Government Covid-19 support scheme had a more positive view on their overall experience with HMRC (83% compared with 79%) and on many of the more detailed customer experience measures (which are discussed later in this report).

Self-employed Small Businesses who used SEISS were more likely to have a positive overall customer experience than those who had used CJRS (91% compared with 78%).

The increase in positive ratings of overall experience since 2019 may be explained by two factors:

- firstly, the change is driven by businesses with 10-19 employees, who had an increase in positive ratings from 68% in 2019 up to 82% in 2020. Given the higher uptake of Covid-19 support schemes by this group (as discussed in section 4.3), the use of these schemes could therefore be driving this more positive view of overall experience
- secondly, this may be explained by the increase in the proportion of businesses interacting using online only channels since 2019 (as discussed in section 4.2.3), as these businesses were more likely to give a positive rating

A regression model was conducted to help further explore any potential link between the use of Government Covid-19 support schemes on overall experience for Small Businesses. Regression modelling works by examining the variation in the outcome variable (here overall experience) and seeing if that variation can be attributed to any of the predictors included in the model.

The regression model showed the following factors were associated with a more positive overall experience score in 2020:

- applying for a Covid-19 scheme, compared with those who did not apply
- being self-employed, compared to those not self-employed

And the following factors were associated with a more negative overall experience score:

- using mixed contact channels to contact HMRC compared with using online only channels
- younger business (being less than two years old), compared with older businesses (being over two years old)
- being VAT mandated compared with not being VAT mandated

The model cannot show causal links and only uses data from the 2020 survey. It therefore cannot confirm that the increase overall experience ratings this year have come from the factors listed above.

#### 4.4.4 Primary areas for improvement

By comparing how important each dimension was in relation to overall experience with how well HMRC performed on each dimension, it is possible to identify the dimensions which are highest priority to address in order to improve overall experience for customers. For more information on this please see section 2.3.6.

The primary areas for improvement are presented in Table 4.12:

- the dimensions labelled as “primary areas for improvement” are the primary areas to address in order to have the biggest positive impact on overall customer experience
- the dimensions labelled as “secondary areas for improvement” are the secondary areas to address to improve overall experience
- and the dimensions labelled “areas to maintain” are those where HMRC has performed comparatively well but should ensure that this level of performance is at least maintained

The remainder of this section discusses each of these dimensions in the order of importance as determined by the KDA analysis.

**Table 4.12 Primary areas for improvement – Small Businesses**

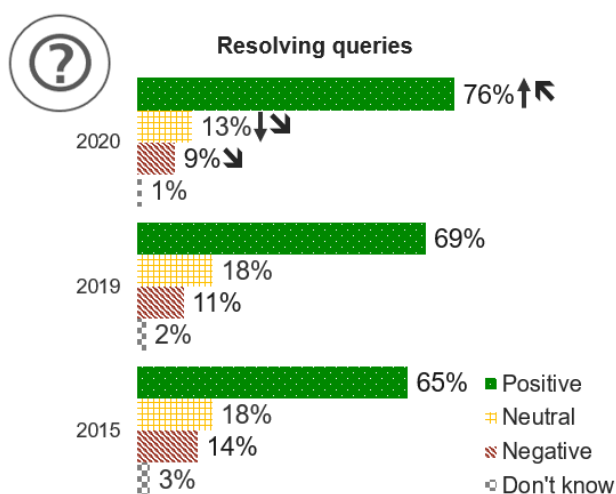
	<b>2020</b> %	<b>Sig. change from</b> <b>2019</b>
<b>Priority areas for improvement</b>		
HMRC resolving queries or issues	76	Yes, increase
Ease of finding information	68	Yes, increase
<b>Secondary areas for improvement</b>		
Time taken to reach an end result	76	Yes, increase
Clarity of the steps needed to be taken	76	Yes, increase
HMRC systems prevented mistakes	67	Yes, increase
<b>Areas to maintain</b>		
HMRC staff professionalism	89	Yes, increase
HMRC getting tax transactions right	81	Yes, increase
Clarity when everything was completed	80	Yes, increase
Quality of the information looked for / received	77	Yes, increase

## **Primary areas for improvement**

### ***Resolving queries***

Just over three-quarters (76%) of Small Businesses were positive about HMRC resolving queries (Chart 4.13 and Table 4.13). Thirteen per cent were neutral and 9% were negative. Positive ratings have increased since 2019 (up seven percentage points from 69%) and neutral ratings have decreased since 2019 from 18% to 11%.

**Chart 4.13 Rating of how HMRC resolves queries or issues – Small Businesses**



Q3owner Over the last 12 months, how good or poor were HMRC at resolving any queries or issues? Base: All respondents (excluding Not applicable) (2015: 2111; 2019: 2013; 2020: 2023).

**Table 4.13 Rating of telephone helplines – Small Businesses**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	76	69	65	Yes	Yes
Neutral	13	18	18	Yes	Yes
Negative	9	11	14	No	Yes
Don't know	1	2	3	No	No

Q3owner Over the last 12 months, how good or poor were HMRC at resolving any queries or issues? Base: All respondents (excluding Not applicable) (2015: 2111; 2019: 2013; 2020: 2023).

Smaller Businesses with a turnover up to £85,000 were more likely to give a positive rating on this dimension (83%) than businesses with a turnover above £85,000 (69%). Those who were self-employed were also more likely to give a positive rating (80% compared with 70% of those not self-employed). Small Businesses who were *not* part of the VAT mandated group were more positive than those who were mandated (81%, compared to 69% respectively).

Small Businesses that used online only channels to contact HMRC were more likely to be positive (81%) than those that used both online and telephone (70%).

Positive ratings on this dimensions were linked to those on the acceptability of time to reach an end result, with 90% giving positive ratings to both dimensions.

Between 88% and 90% of Small Businesses who gave positive ratings on overall experience, personalisation of services, ease of dealing with tax issues and empathy, also gave a positive rating for resolution of queries. The same associations were apparent for all other dimensions of customer experience discussed in this section of the report, with positive ratings between 78% and 96%.

There was an increase in positive ratings since 2019. This was not driven by any particular sub-groups. However, similarly to overall experience, this may be explained by the increase in the proportion of businesses interacting online only since 2019 (which is related to a more positive rating on this dimension).

### ***Ease of finding information***

Nearly seven in ten (68%) rated ease of finding information positively. Around a quarter (22%) were neutral and 9% were negative (Chart 4.14 and Table 4.14). Positive ratings have increased since 2019 (62%).

Small Businesses with a turnover up to £40,000 were more likely to give a positive rating for ease of finding information (76%) than those with turnovers above £40,000 (63%). However, the pattern by size was not straightforward: businesses with 10-19 employees were just as likely as those with 0 employees to give a positive rating (72% and 71%), with those with 1-9 employees less likely to give a positive rating than both groups (63%).

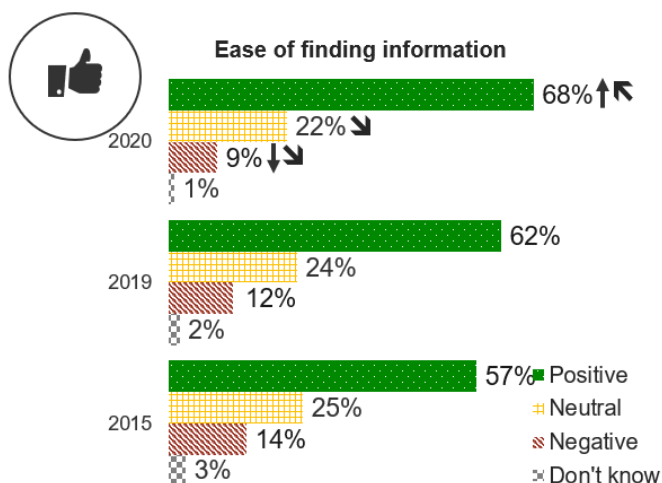
Those who only had online interactions with HMRC were more likely to be positive on this measure compared with those who had telephone and online interactions (72%, compared with 61% respectively). Those who had applied to use a Government Covid-19 support scheme were also more likely to give a positive rating (69% compared with 63%).

Just over eight in ten (81%) of those who gave a positive rating, also gave a positive rating regarding the quality of the information received from HMRC about their query.

There was an increase in positive ratings since 2019. This was driven by an increase in ratings amongst the self-employed Small Businesses (up from 64% in 2019 up to 72% 2020) and businesses with 10-19 employees (up from 59% in 2019 up to 72% in 2020). Similarly to discussion in section 4.4.3 around overall experience, given the higher uptake of Government Covid-19 support schemes by this group, this may suggest that use of such schemes may be contributing to the rise in positive ratings on this measure.

Additionally, reflecting earlier findings, the increase in positive ratings may also in part be explained by the increase in the proportion of businesses interacting online only since 2019 (which is related to a more positive rating on this dimension).

**Chart 4.14 Rating of ease of finding information – Small Businesses**



Q3find On a scale of 1 to 5, where 5 is very easy and 1 is very difficult, how easy or difficult was it to find any information you needed for your business on tax issues from HMRC? Base: All respondents (excluding Not Applicable) (2015: 2345; 2019: 2258; 2020: 2365).

**Table 4.14 Rating of ease of finding information – Small Businesses**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	68	62	57	Yes	Yes
Neutral	22	24	25	No	Yes
Negative	9	12	14	Yes	Yes
Don't know	1	2	3	No	No

Q3find On a scale of 1 to 5, where 5 is very easy and 1 is very difficult, how easy or difficult was it to find any information you needed for your business on tax issues from HMRC? Base: All respondents (excluding Not Applicable) (2015: 2345; 2019: 2258; 2020: 2365).

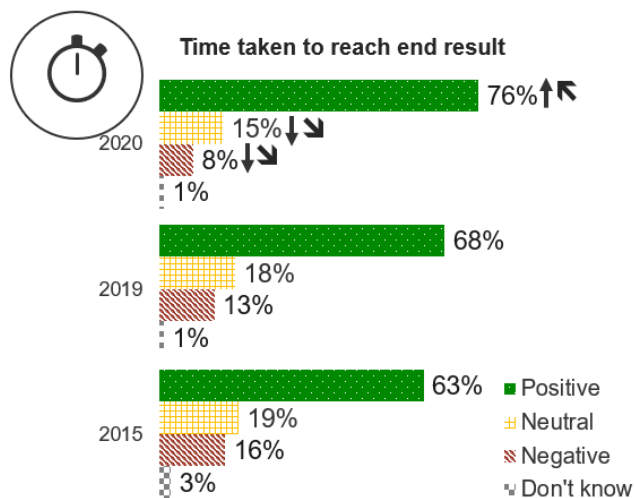
### Secondary areas for improvement

This section looks at the dimensions which were of lesser importance to Small Businesses' overall rating of their customer experience. These are dimensions where ratings were comparatively lower than other dimensions, but had less impact on overall customer experience. These three dimensions were: the time taken to reach an end result, the clarity of the steps which needed to be taken and prevention of mistakes by HMRC systems.

#### Acceptability of time taken

Three-quarters of Small Business (76%) were positive about time taken to reach the end result. Just under one in seven (15%) were neutral and 8% were negative (Chart 4.15 and Table 4.15). There was an increase in positive ratings since 2019 (76% in 2020, up from 68% in 2019) and a decrease in negative ratings (8% in 2020, down from 13% in 2019).

**Chart 4.15 Rating of time taken to reach the end result – Small Businesses**



Q3time During your dealings with HMRC over the last 12 months, how acceptable was the time taken to reach the end result? Base: All respondents (excluding Not applicable) (2015: 2440; 2019: 2310; 2020: 2405)

**Table 4.15 Rating of time taken to reach the end result – Small Businesses**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	76	68	63	Yes	Yes
Neutral	15	18	19	Yes	Yes
Negative	8	13	16	Yes	Yes
Don't know	1	1	3	No	No

Q3time During your dealings with HMRC over the last 12 months, how acceptable was the time taken to reach the end result? Base: All respondents (excluding Not applicable) (2015: 2440; 2019: 2310; 2020: 2405)

Businesses with a turnover up to £85,000 were more likely to give a positive rating for the time taken to reach the end result (83%) than businesses with a turnover over £85,000 (68%). This pattern was also seen in associated characteristics: Small Businesses below VAT threshold were more positive than those above VAT threshold (81%, compared to 67% respectively) and self-employed Small Businesses were more positive (81%) than those who were not (68%).

Those who only had online interactions with HMRC were more likely to give a positive rating (83%) than those who used both online and telephone (62%). Those who had applied for a Government Covid-19 support scheme were also more likely to be positive (78% compared with 69%).

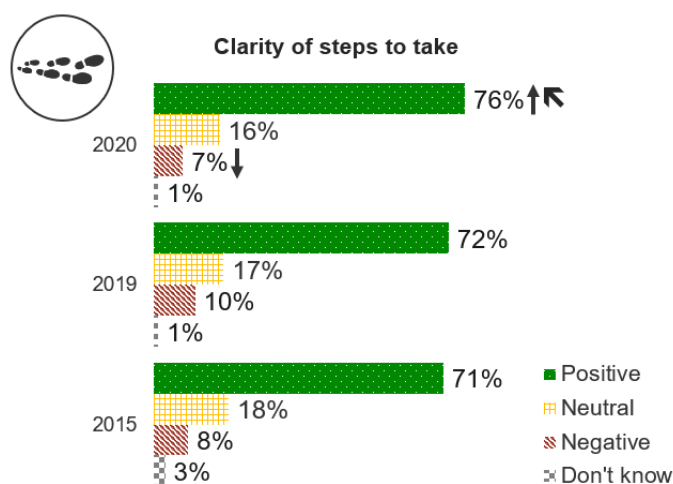
The increase in positive ratings since 2019 has been driven by those with 0 employees (up from 74% to 83%), 10-19 employees (up from 59% to 73%), and self-employed small businesses (up from 70% to 81%). Additionally, in line with many of the other dimensions, this may also in part be

explained by the increase in the proportion of businesses interacting online only (which is related to a more positive rating on this dimension) since 2019.

### Clarity of steps needed to take

Three-quarters of Small Businesses (76%) were positive about HMRC making it clear what steps the customer needed to take during their transaction (Chart 4.16 and Table 4.16). Under two in ten (16%) were neutral and 7% were negative. There was an increase in positive ratings since 2019, from 72% to 76%.

**Chart 4.16 Rating of clarity of steps to take – Small Businesses**



Q3navi Please tell me how strongly you agree or disagree with the following statement about any of your dealings with HMRC in the last 12 months HMRC made clear what steps I needed to take. Base: All respondents (excluding Not applicable) (2015: 2515; 2019: 2369; 2020: 2483)

**Table 4.16 Rating of clarity of steps to take – Small Businesses**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	76	72	71	Yes	Yes
Neutral	16	17	18	No	No
Negative	7	10	8	Yes	No
Don't know	1	1	3	No	No

Q3navi Please tell me how strongly you agree or disagree with the following statement about any of your dealings with HMRC in the last 12 months HMRC made clear what steps I needed to take. Base: All respondents (excluding Not applicable) (2015: 2515; 2019: 2369; 2020: 2483)

Small Businesses with a turnover up to £40,000 (86%) and those with 0 employees (81%) were more likely to have a positive customer experience than businesses with a turnover of over £40,000 (71%) and businesses with one employee or more (72%). Self-employed Small Businesses were also more likely to give a positive rating (81%) than those who were not (69%).



Those that only interacted with HMRC online were more likely to be positive (79%) than those that used both online and telephone (69%). Those who applied to use a Government Covid-19 support scheme were more likely to be positive (79% compared with 69%).

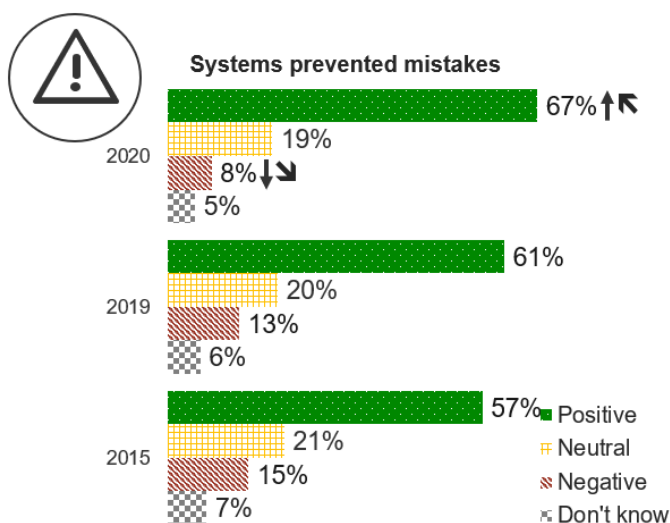
Those who gave a positive rating that HMRC made it clear when everything was complete, were also more likely to give a positive rating on this measure (86%) than those who gave a neutral (40%) or negative rating (28%).

The increase in positive ratings since 2019 have been driven by self-employed Small Businesses (up from 75% to 81%) and those with 10-19 employees (up from 68% to 77%). In line with earlier findings, given the higher uptake of Covid-19 support schemes amongst the 10-19 employee group, it could suggest that use of support schemes has contributed to this rise. Additionally, as seen with many of the other dimensions of customer experience, it may also in part be explained by the increase in the proportion of businesses interacting online only since 2019 (which is related to a more positive rating on this dimension).

### Systems prevented mistakes

Nearly seven in ten (67%) Small Businesses gave a positive rating for how HMRC systems prevented customers from making mistakes (Chart 4.17 and Table 4.17). Nearly one in five (18%) were neutral and 8% were negative. There was a significant increase in positive ratings since 2019 (67% in 2020, up from 61% in 2019).

**Chart 4.17 Rating of how HMRC systems prevent customers from making mistakes – Small Businesses**



Q3syst How strongly do you agree or disagree with the following statements about your dealings with HMRC in the last 12 months? Base: All respondents (excluding Not applicable) (2015: 2503; 2019: 2250; 2020: 2344)

**Table 4.17 Rating of how HMRC systems prevent customers from making mistakes – Small Businesses**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	67	61	57	Yes	Yes
Neutral	19	20	21	No	No

	2020 %	2019 %	2015 %	Sig. change from 2019	Sig. change from 2015
Negative	8	13	15	Yes	Yes
Don't know	5	6	7	No	No

Q3syst How strongly do you agree or disagree with the following statements about your dealings with HMRC in the last 12 months? Base: All respondents (excluding Not applicable) (2015: 2503; 2019: 2250; 2020: 2344)

Businesses with a turnover of up to £40,000 were more likely to give a positive rating on this dimension (76%) than businesses with a turnover over £40,000 (61%). Small Businesses below the VAT threshold were more positive than those above the VAT threshold (72%, compared with 57% respectively).

Small Businesses that only used online channels to contact HMRC were more likely to be positive (71%) than those that used both online and telephone (61%). Those who applied to use a Government Covid-19 support scheme were more likely to be positive (69% compared with 60%).

As evident with many of the other dimensions of customer experience, the increase in positive ratings since 2019 is in part driven by those with 10-19 employees (up from 52% to 69%), which could suggest it is part due to the use of Government Covid-19 support schemes (as their uptake was higher amongst this group. Again, it additionally, may also in part be explained by the increase in the proportion of businesses interacting online only since 2019 (which is related to a more positive rating on this dimension).

### **Areas to maintain**

The dimensions explored in this section were areas where HMRC performed well and should at least maintain performance to ensure a positive customer experience. These were being professional, getting transactions right, the clarity of when everything was completed and the quality of information.

#### ***HMRC were professional***

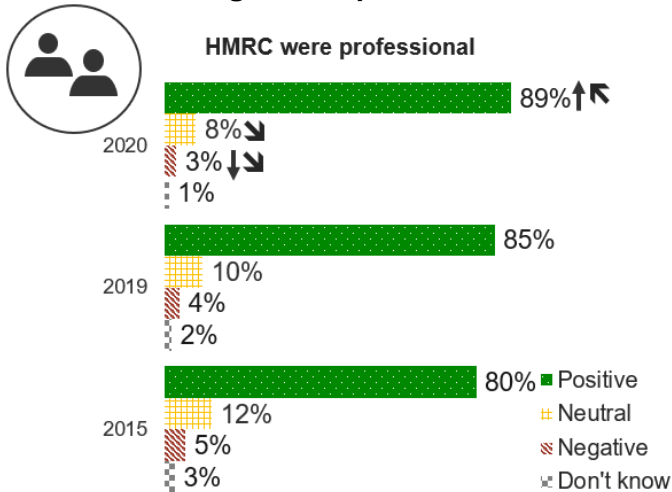
Nearly nine in ten (89%) Small Businesses rated HMRC positively on whether HMRC were professional. Eight per cent were neutral and 3% were negative. This was the most positively rated dimension of customer experience. There was a significant increase in positive ratings since 2019 (85% in 2015) (Chart 4.18 and Table 4.18).

Small Businesses with a turnover of up to £40,000 (93%) were more likely to be positive than businesses with turnover over £85,000 (85%). Those who were not VAT mandated were more positive than those who were VAT mandated (91% compared with 84%).

In contrast to other service dimensions and in a change since 2019, there was no difference in positive ratings in 2020 between those who interacted online only and those who used online and telephone.

The increase in positive ratings since 2019 may have been driven by an increase among those who interacted online and by telephone, where positive ratings increased from 81% in 2019 up to 88% in 2020. There was no change among those who interacted online only.

**Chart 4.18 Rating of how professional HMRC staff were – Small Businesses**



Q3staff On a scale of 1 to 5, where 5 is agree strongly and 1 is disagree strongly, please tell me how strongly you agree or disagree with the following statements about your dealings with HMRC in the last 12 months... HMRC were professional. Base: All respondents (excluding Not applicable) (2015: 2587; 2019: 2397; 2020: 2504).

**Table 4.18 Rating of how professional HMRC staff were – Small Businesses**

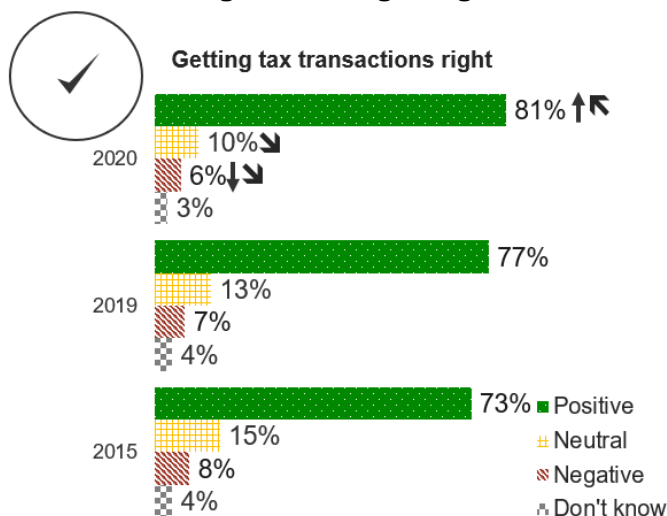
	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	89	85	80	Yes	Yes
Neutral	8	10	12	No	Yes
Negative	3	4	5	Yes	Yes
Don't know	1	2	3	No	No

Q3staff On a scale of 1 to 5, where 5 is agree strongly and 1 is disagree strongly, please tell me how strongly you agree or disagree with the following statements about your dealings with HMRC in the last 12 months... HMRC were professional. Base: All respondents (excluding Not applicable) (2015: 2587; 2019: 2397; 2020: 2504).

**Getting transactions right**

Just over eight in ten (81%) Small Businesses were positive about HMRC getting tax transactions right (Chart 4.19 and Table 4.19). One in ten (10%) were neutral and 6% were negative. There was an increase in positive ratings since 2019 (81% in 2020, up from 77% in 2019).

**Chart 4.19 Rating of HMRC getting tax transactions right – Small Businesses**



Q3right Over the last 12 months, how good or poor were HMRC at getting tax transactions right? Base: All respondents (excluding Not applicable) (2015: 2685; 2019: 2424; 2020: 2501).

**Table 4.19 Rating of HMRC getting tax transactions right – Small Businesses**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	81	77	73	Yes	Yes
Neutral	10	13	15	No	Yes
Negative	6	7	8	Yes	Yes
Don't know	3	4	4	No	No

Q3right Over the last 12 months, how good or poor were HMRC at getting tax transactions right? Base: All respondents (excluding Not applicable) (2015: 2685; 2019: 2424; 2020: 2501).

Smaller businesses were more likely to give a positive rating. Businesses with a turnover up to £40,000 were more positive (88%) than businesses with a turnover above £40,000 (78%). Linked to size, Small Businesses who were not VAT mandated were more positive than VAT mandated ones (84%, compared to 77% respectively).

Small Businesses that interacted with HMRC only using online channels were more likely to give a positive rating (85%) than those that interacted with HMRC using online and telephone (75%).

There was an increase in positive ratings since 2019. It was in part driven by an increase from 70% to 80% among businesses with 10-19 employees. As discussed on many of the other dimensions this could be due to the use of Government Covid-19 support schemes, as their uptake was highest amongst the 10-19 employee group. Furthermore, reflecting many of the other dimensions, it may also in part be explained by the increase in the proportion of businesses interacting online only since 2019 (which is related to a more positive rating on this dimension).

**Clear when everything was completed**

Eight in ten (80%) Small Businesses were positive about HMRC making it clear when everything was completed. Around one in ten (11%) were neutral and 7% were negative. Positive ratings have increased since 2019 (75% to 80%) (Chart 4.20 and Table 4.20).

The smallest and largest businesses (with 0 employees (87%) and 10-19 employees (82%)) were more likely to be positive than those with 1-9 employees (73%). Small Businesses that did all the accountancy work within the business were also more likely to give a positive rating (83%) than those that outsourced some or all work (71%) – as discussed in section 4.2.4, it was more common for the smallest and largest businesses to do all accountancy work within the business so this is consistent with the pattern by number of employees.

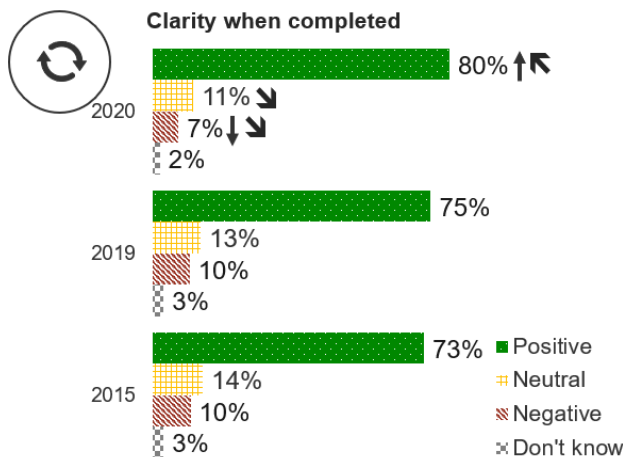
Small Businesses who were not obliged to pay VAT (84%) and self-employed Small Businesses (85%) were more positive than those who were VAT mandated and those who were not self-employed (72% for both).

Those who used online only channels to contact HMRC were more likely to be positive (85%) than those who used both online and telephone (72%).

Those who applied to use a Government Covid-19 support scheme were more likely to be positive (82% compared with 73%).

The increase in positive ratings since 2019 appear to be driven by those with 0 employees (up from 81% to 87%), those with 10-19 employees (up from 72% to 82%) and self-employed Small Businesses (up from 77% to 85%). Additionally, again, this may also in part be explained by the increase in the proportion of businesses interacting online only (which is related to a more positive rating on this dimension) since 2019.

**Chart 4.20 Rating of clarity of when transaction completed – Small Businesses**



Q3navi\_2 On a scale of 1 to 5, where 5 is agree strongly and 1 is disagree strongly, please tell me how strongly you agree or disagree with the following statement about any of your dealings with HMRC... "HMRC made it clear when everything was completed". Base: All respondents (excluding Not applicable) (2015: 2527; 2019: 2363; 2020: 2481).

**Table 4.20 Rating of clarity of when transaction completed – Small Businesses**

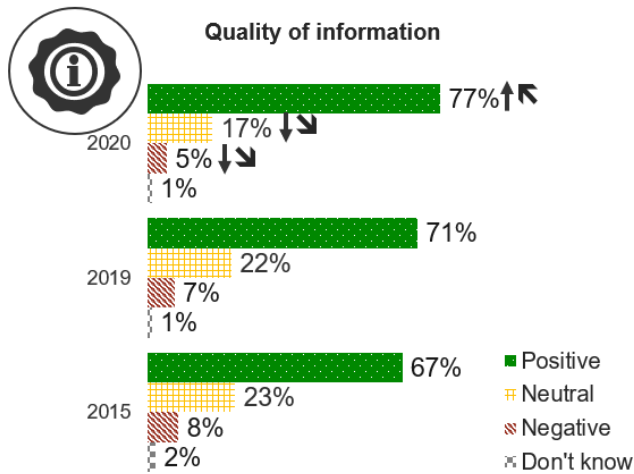
	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	80	75	73	Yes	Yes
Neutral	11	13	14	No	Yes
Negative	7	10	10	Yes	Yes
Don't know	2	3	3	No	No

Q3navi\_2 On a scale of 1 to 5, where 5 is agree strongly and 1 is disagree strongly, please tell me how strongly you agree or disagree with the following statement about any of your dealings with HMRC... "HMRC made it clear when everything was completed". Base: All respondents (excluding Not applicable) (2015: 2527; 2019: 2363; 2020: 2481).

**Quality of information**

Nearly eight in ten (77%) Small Businesses were positive about the quality of information looked for or received from HMRC. Nearly one in five (17%) were neutral and 5% were negative (Chart 4.21 and Table 4.21). Positive ratings increased since 2019 (up six percentage points from 71%) and neutral ratings decreased (down five percentage points from 22%) (Chart 4.21 and Table 4.21).

**Chart 4.21 Rating of quality of information looked for or received – Small Businesses**



Q3qual How would you rate the quality of information you have looked for or received from HMRC over the last 12 months? Base: All respondents (excluding Not applicable) (2015: 2469; 2019: 2369; 2020: 2519).

**Table 4.21 Rating of quality of information looked for or received – Small Businesses**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	77	71	67	Yes	Yes
Neutral	17	22	23	Yes	Yes
Negative	5	7	8	Yes	Yes

	2020 %	2019 %	2015 %	Sig. change from 2019	Sig. change from 2015
Don't know	1	1	2	No	No

Q3qual How would you rate the quality of information you have looked for or received from HMRC over the last 12 months? Base: All respondents (excluding Not applicable) (2015: 2469; 2019: 2369; 2020: 2519).

Businesses with 10-19 employees were just as likely as those with 0 employees to give a positive rating (82% and 81%), and those with 1-9 employees were less likely than both of these to give a positive rating (73%). When looking at turnover and VAT status, the broader pattern of smaller businesses being more positive than larger ones can be observed. Businesses with turnover up to £40,000 were more likely to have a positive customer experience (84%) than businesses with turnover over £40,000 (74%). Small Businesses who are not obliged to pay VAT were more positive than VAT mandated ones (80%, compared to 71% respectively).

Small Businesses that only had online interactions with HMRC were more positive than those that had online and telephone interactions (80%, compared with 72%). Those who applied to use a Government Covid-19 support scheme were more likely to be positive (79% compared with 72%).

There was an increase in positive ratings since 2019, which like for many of the other dimensions was driven by the increase among businesses with 10-19 employees from (up from 65% to 82%) and may in part also be explained by the increase in the proportion of businesses interacting online only since 2019 (which is related to a more positive rating on this dimension).

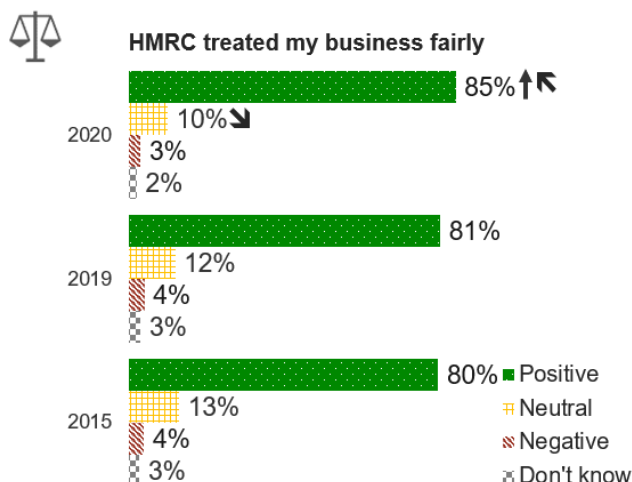
## 4.5 Views on administration of the tax system

Small Businesses were asked about their views on HMRC's administration of the tax system. They were asked to rate HMRC on the following dimensions: whether HMRC treated their business fairly; whether the services were personalised; and the ease of dealing with tax issues. Small Businesses were also asked whether they felt HMRC recognised their business was their priority and whether HMRC systems integrated well with the way their business managed its tax affairs. Businesses were also asked how joined up they perceived online services were. For the first time in 2020, questions were included to explore whether customers view HMRC as empathetic and how well HMRC resolves any errors they make.

### 4.5.1 Fairness

Over eight in ten (85%) Small Businesses were positive about HMRC treating their business fairly (Chart 4.22 and Table 4.22). One in ten (10%) were neutral and 3% were negative. The proportion of Small Businesses giving a positive rating increased four percentage points from 81% in 2019 and neutral ratings dropped two percentage points from 12% in 2019.

### Chart 4.22 Fairness – Small Businesses



Q4fair Please tell me how strongly you agree or disagree with the following statement. “HMRC treated my business fairly”. Base: All respondents (excluding Not applicable) (2015: 2752; 2019: 2466; 2020: 2517).

**Table 4.22 Fairness – Small Businesses**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	85	81	80	Yes	Yes
Neutral	10	12	13	No	Yes
Negative	3	4	4	No	No
Don't know	2	3	3	No	No

Q4fair Please tell me how strongly you agree or disagree with the following statement. “HMRC treated my business fairly”. Base: All respondents (excluding Not applicable) (2015: 2752; 2019: 2466; 2020: 2517).

Positive ratings for this measure were associated with positive ratings of overall experience, personalisation of services, ease of dealing with tax issues and empathy, with between 93% and 95% being positive. A similar pattern was evident on all other aspects of administration of the tax system discussed in rest of this section (with positive ratings between 57% and 95% across the measures).

Small Business with 0 employees (87%) and with 10-19 employees (91%) were more likely to be positive than those with 1-4 (82%) or 5-9 (78%) employees.

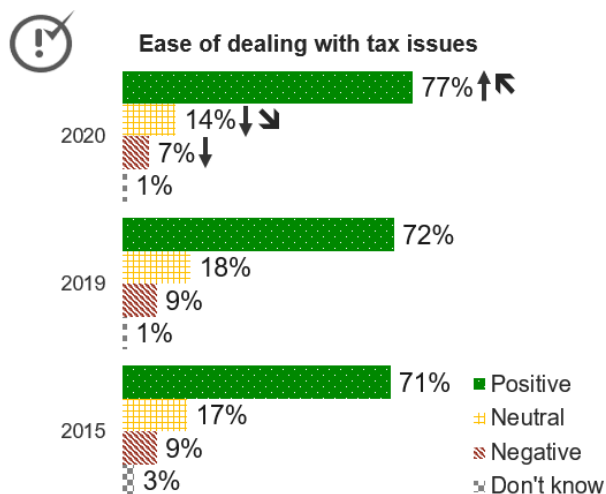
The increase in positive ratings since 2019 may in part be driven by businesses with 10-19 employees (78% to 91%). As discussed earlier in the report, given the higher uptake of Covid-19 support schemes by this group, use of schemes could be driving this more positive view of HMRC treating them fairly.

#### 4.5.2 Ease of dealing with tax issues



Nearly eight in ten Small Businesses (77%) were positive about the ease of dealing with tax issues. Fourteen per cent were neutral and 7% were negative (Chart 4.23 and Table 4.23). There was an increase in positive ratings since 2019, up five percentage points from 72%.

**Chart 4.23 Ease of dealing with tax issues – Small Businesses**



Q4ease Over the last 12 months how easy or difficult have you found it to deal with your business's tax issues? Base: All respondents (excluding Not applicable) (2015: 2655; 2019: 2416; 2020: 2445)

**Table 4.23 Ease of dealing with tax issues – Small Businesses**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	77	72	71	Yes	Yes
Neutral	14	18	17	Yes	Yes
Negative	7	9	9	Yes	No
Don't know	1	1	3	No	No

Q4ease Over the last 12 months how easy or difficult have you found it to deal with your business's tax issues? Base: All respondents (excluding Not applicable) (2015: 2655; 2019: 2416; 2020: 2445)

Similarly to metrics of customer experience, smaller businesses (those with turnover of up to £40,000) were more likely to give a positive rating (83%, compared with 74% for those with a turnover over £40,000). However, larger businesses (those with 10-19 employees, up from 63% to 77%) were the ones driving the increase since 2019.

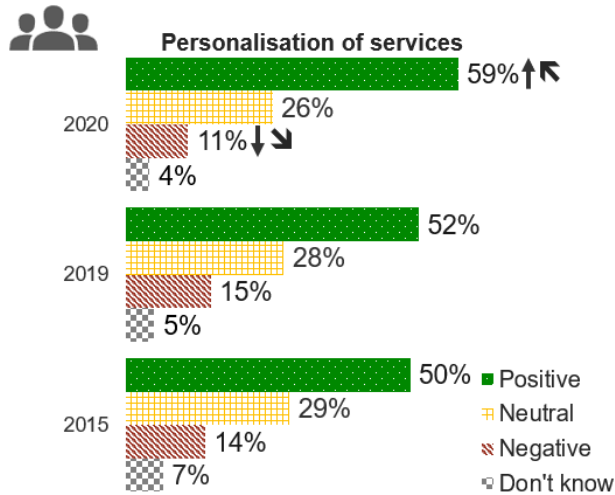
Those who used online only channels to contact HMRC were more likely to be positive (82%) than those who used both online and telephone (64%). As the proportion of Small Businesses using online only channels to contact HMRC has increased since 2019, this may be driving the overall increase in positivity on this measure.

Businesses that gave a positive rating for personalisation of services were more likely to give a positive rating (92%) compared to businesses that gave a neutral or negative rating (53%).

### 4.5.3 Personalisation of services

Nearly six in ten Small Businesses (59%) were positive about personalisation of HMRC services, that is, information and services provided by HMRC being tailored to their business. Nearly three in ten (26%) were neutral and 11% were negative (Chart 4.24 and Table 4.24). Relative to 2019, positive ratings increased by seven percentage points from 52% and negative ratings decreased by four percentage points from 15%.

**Chart 4.24 Personalisation – Small Businesses**



Q4person How strongly do you agree or disagree that over the last 12 months the information and services provided by HMRC have been tailored to your business? Base: All respondents (excluding Not applicable) (2015: 2607; 2019: 2360; 2020: 2443).

**Table 4.24 Personalisation – Small Businesses**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	59	52	50	Yes	Yes
Neutral	26	28	29	No	No
Negative	11	15	14	Yes	Yes
Don't know	4	5	7	No	No

Q4person How strongly do you agree or disagree that over the last 12 months the information and services provided by HMRC have been tailored to your business? Base: All respondents (excluding Not applicable) (2015: 2607; 2019: 2360; 2020: 2443).

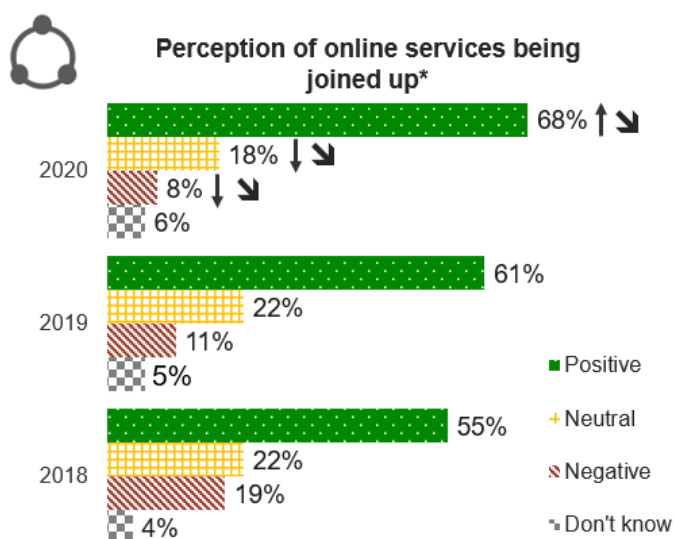
Smaller businesses with a turnover up to £40,000 (71%) were more likely to give a positive rating than larger businesses with a turnover over £40,000 (53%). Linked to size, self-employed Small Businesses (66%) were more likely to give a positive rating than those who were not (50%) and it was these businesses who are likely to have driven the increase since 2019 (up from 56% to 66%).

Those who used online only channels to contact HMRC were more likely to be positive (62%) than those who used both online and telephone (54%). Those who applied for a Government Covid-19 support scheme were also more likely to give a positive rating (62% compared with 50%).

#### 4.5.4 Rating of whether HMRC online services were joined up

Nearly seven in ten (68%) Small Businesses that had dealings with HMRC online gave a positive rating for HMRC’s online services being joined up (Chart 4.25 and Table 4.25). Nearly one in five (18%) were neutral and 8% were negative. Small Businesses were more positive on this measure in 2020 than 2019, with a seven percentage point increase from 61% in 2019. There was also a corresponding decrease in negative ratings, from 11% in 2019 up to 8% in 2020. This question was first asked in 2018, so there is no comparison to early waves.

**Chart 4.25 Perception of online services being joined up – Small Businesses**



Q4integrate Thinking about all of the information you have viewed and services you have used on HMRC webpages over the last 12 months, how strongly do you agree or disagree that the information and services provided online by HMRC are joined up? Base: All respondents who had dealings with HMRC online (excluding Not applicable) (2018: 1616; 2019: 1706; 2020:1974). \*This question was not asked in 2015, 2016 or 2017

**Table 4.25 Perception of online services being joined up – Small Businesses**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
Positive	68	61	55	Yes	Yes
Neutral	18	22	22	Yes	Yes
Negative	8	11	19	Yes	Yes
Don't know	6	5	4	No	No

Q4integrate Thinking about all of the information you have viewed and services you have used on HMRC webpages over the last 12 months, how strongly do you agree or disagree that the information and services provided online by HMRC are joined up? Base: All respondents who had dealings with HMRC online (excluding Not applicable) (2018: 1616; 2019: 1706; 2020:1974). \*This question was not asked in 2015, 2016 or 2017

Businesses with turnover up to £40,000 (74%) were more likely to give a positive rating than those with a turnover over £40,000 (65%). Linked to size, self-employed Small Businesses (71%) and

those that were not part of the VAT mandated group (71%) were more likely to give a positive rating than those who were not self-employed (65%) and were VAT mandated (64%).

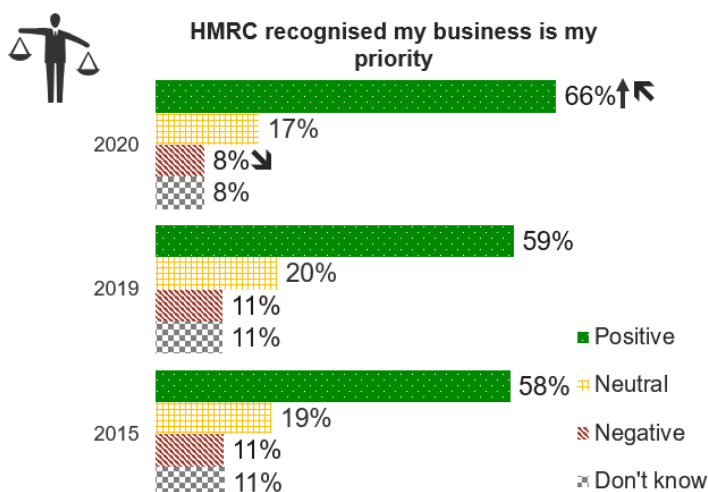
Businesses that only had contact online were more likely to be positive (71%) than businesses that had contact online and by telephone (62%). The proportion of Small Business only interacting online has increased since 2019 which may account for the increase in positive ratings.

#### 4.5.5 Integration

Two-thirds (66%) of Small Businesses were positive that HMRC recognised their business is their priority. Nearly one in five (17%) were neutral and 8% were negative (Chart 4.26 and Table 4.26).

Positive ratings have increased since 2019, up seven percentage points from 59%.

**Chart 4.26 HMRC recognised my business as my priority – Small Businesses**



Q4fair HMRC recognised that my business is my priority in last 12 months. Base: All respondents (excluding Not applicable) Base: Random half of all respondents (excluding Not applicable) (2015: 2619; 2019: 1185; 2020: 1206)

**Table 4.26 HMRC recognised my business as my priority – Small Businesses**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	66	59	58	Yes	Yes
Neutral	17	20	19	No	No
Negative	8	11	11	No	Yes
Don't know	8	11	11	No	No

Q4fair HMRC recognised that my business is my priority in last 12 months. Base: All respondents (excluding Not applicable) Base: Random half of all respondents (excluding Not applicable) (2015: 2619; 2019: 1185; 2020: 1206)

Ratings of overall customer experience were associated with whether HMRC recognised that their business was their priority. Customers with a positive overall experience were

more likely to agree that HMRC recognised that their business is their priority (76%) than those with a neutral (28%) or negative (9%) experience.

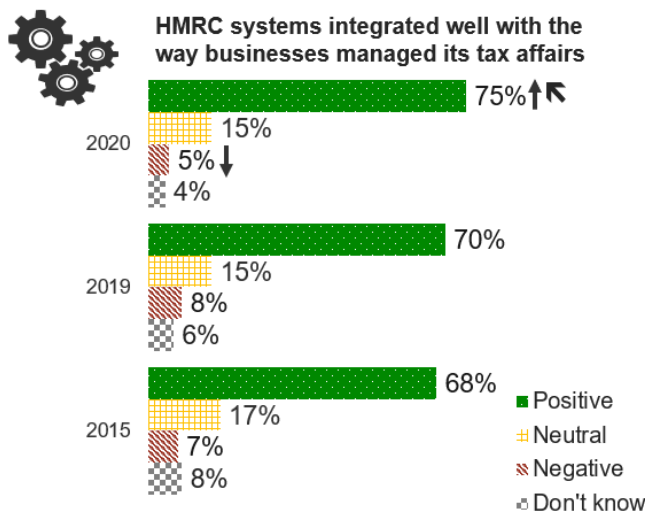
The pattern of smaller businesses being more positive than larger ones can be observed through associated characteristics – self-employed and not VAT mandated – but there were little or no significant differences between the more detailed size bands by number of employees or turnover. Self-employed businesses (70%) and those who were not VAT mandated (69%) were more likely to give a positive rating than those that were not self-employed (61%) and were VAT mandated (62%).

The increase in positive ratings appears to be driven by an increase in positive ratings amongst businesses with larger turnover; in 2019 for example 56% businesses with a turnover of £500,000 gave a positive rating, which increased to 69% in 2020.

Businesses that applied to use a Government Covid-19 support scheme were significantly more likely to give a positive rating (69%) than those that did not (58%). Larger businesses were more likely to apply for a Government Covid-19 support scheme, and, as discussed earlier, this may be the reason for the uplift in ratings among larger businesses.

Three-quarters of Small Businesses (75%) were also positive that HMRC systems integrated well with the way the business managed its tax affairs. Fifteen per cent were neutral and 5% were negative (Chart 4.27 and Table 4.27). The proportion of Small Businesses giving a positive rating increased from 70% in 2019 up to 75% in 2020.

**Chart 4.27 HMRC systems integrated well with how businesses managed its tax affairs – Small Businesses**



Q4fair HMRC systems integrated well with the way my business managed its tax affairs in last 12 months. Base: All respondents (excluding Not applicable) Base: Random half of all respondents (excluding Not applicable) (2015: 2628; 2019: 1148; 2020: 1166)

**Table 4.27 HMRC systems integrated well with how businesses managed its tax affairs – Small Businesses**

	2020 %	2019 %	2015 %	Sig. change from 2019	Sig. change from 2015
Positive	75	70	68	Yes	Yes
Neutral	15	15	17	No	No
Negative	5	8	7	Yes	No
Don't know	4	6	8	No	No

Q4fair HMRC systems integrated well with the way my business managed its tax affairs in last 12 months. Base: All respondents (excluding Not applicable) Base: Random half of all respondents (excluding Not applicable) (2015: 2628; 2019: 1148; 2020: 1166)

Ratings of overall experience were associated with whether HMRC systems were integrated with the way the business manages its tax affairs. Customers with a positive overall experience were more likely to agree that HMRC systems were integrated with the way the business manages its tax affairs (86%) than those with a neutral (28%) or negative (26%).

Businesses that gave a positive rating for ease of dealing with tax issues were more likely to agree (87%) than businesses that gave a neutral or negative rating (40%). Businesses that used the BTA were also more likely to agree (79%) than non-users (72%).

Businesses that were below the VAT threshold (79%) were significantly more likely to give a positive rating than those above the threshold (69%).

Increases in a positive ratings since 2019 can be seen broadly across sub-groups. However, consistent with the previous measure, this is particularly pronounced among larger turnover businesses (58% of those with a turnover of at least £500,000 in 2019 increasing to 71% in 2020), which closed the gap between smaller and larger turnover businesses from 20 percentage points in 2019 (78% for businesses with a turnover up to £20,000 compared with 58% for those with a turnover above £500,000) to 10 percentage points in 2020 (81% and 71% respectively).

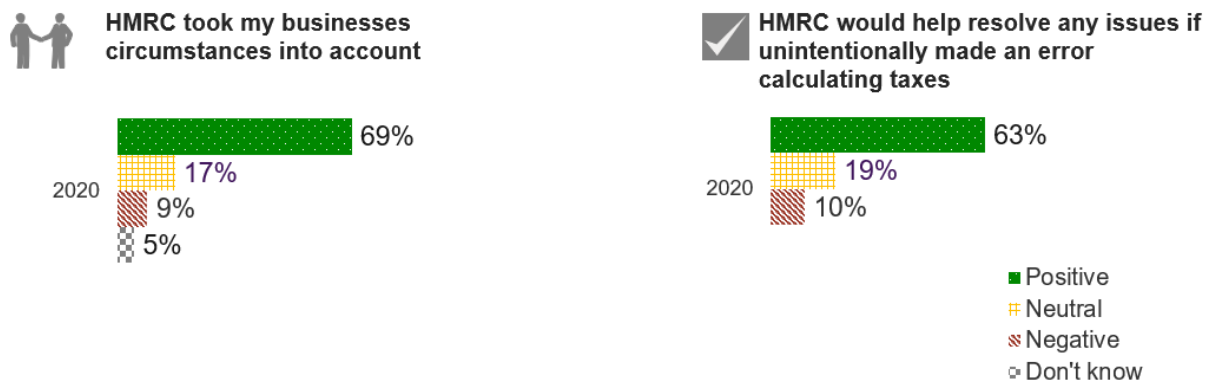
#### 4.5.6 Empathy

For the first time in 2020, questions were included to explore whether customers view HMRC as empathetic. They have been created in line with the new charter which defines the service and standards of behaviour that customers can expect from HMRC. Small Businesses were therefore asked whether:

- HMRC took their business's circumstances into account
- HMRC would help them resolve any issues if they unintentionally made an error in calculating their taxes

Seven in ten (69%) of Small Businesses gave a positive rating for HMRC taking their business's circumstances into account. Seventeen per cent were neutral, 9% were negative and 5% were unsure. (Chart 4.28 and Table 4.28).

**Chart 4.28 Perception that HMRC is empathetic – Small Businesses**



Q4empath. How strongly do you agree or disagree with the following statement about your dealings with HMRC in the last 12 months? "HMRC took my business's circumstances into account". Base: All respondents (2020: 2700). \*This question was first asked in 2020. Q4error. How strongly do you agree or disagree that HMRC would help you resolve any issues if you unintentionally made an error in calculating your taxes? Base: All respondents. (2020: 2700). \*This question was first asked in 2020.

**Table 4.28 Perception that HMRC is empathetic – Small Businesses**

	2020 %
<b>HMRC took my businesses circumstances into account:</b>	
Positive	69
Neutral	17
Negative	9
Don't know	5
<b>HMRC would help resolve any issues if unintentionally made an error calculating taxes:</b>	
Positive	63
Neutral	19
Negative	10

Q4empath. How strongly do you agree or disagree with the following statement about your dealings with HMRC in the last 12 months? "HMRC took my business's circumstances into account". Base: All respondents (2020: 2700). \*This question was first asked in 2020. Q4error. How strongly do you agree or disagree that HMRC would help you resolve any issues if you unintentionally made an error in calculating your taxes? Base: All respondents. (2020: 2700). \*This question was first asked in 2020.

Businesses with a turnover up to £40,000 were more likely to agree that HMRC took their business's circumstances into account in the last 12 months (77%) than those with a turnover above £40,000 (64%). Linked to size, self-employed businesses (73%) and those who were not VAT mandated (73%) were more likely to agree than those who were not self-employed (62%) or were VAT mandated (63%).

Businesses that had applied for a Government Covid-19 support scheme were significantly more likely to agree that HMRC took their business's circumstances into account in the last 12 months (71%) than those who had not (60%).

Businesses with a positive overall experience were more likely to agree that HMRC took their business's circumstances into account in the last 12 months (78%) than those with a neutral (33%) or negative (15%).

Businesses that were confident in how HMRC do their job were more likely to give a positive rating that HMRC took their business's circumstances into account in the last 12 months (81%) than those that were neutral (42%) or negative (23%). A similar pattern can be seen for ease and fairness.

Just over six in ten Small Businesses (63%) agreed that HMRC would help to resolve any unintentional errors they had made. One in five customers gave a neutral rating (19%) and one in ten (10%) gave a negative rating.

Businesses below the VAT threshold (66%) were more likely than those above the VAT threshold to say that HMRC would help resolve unintentional errors than those who were not (59%).

Businesses that gave a positive rating of their experience with HMRC were more likely to say that HMRC would help resolve unintentional errors (72%) compared to businesses that gave a neutral rating (25%) or a negative rating (25%) (Chart 4.28 and Table 4.28).

Businesses that applied to use a Government Covid-19 support scheme were significantly more likely to say HMRC would help resolve unintentional errors (65%) than those that didn't (57%).

Businesses who were positive about HMRC applying penalties and sanctions equally were more likely to give positive rating (81%) than those who gave a neutral (53%) or a negative rating (38%).

#### 4.5.7 **Accountability**

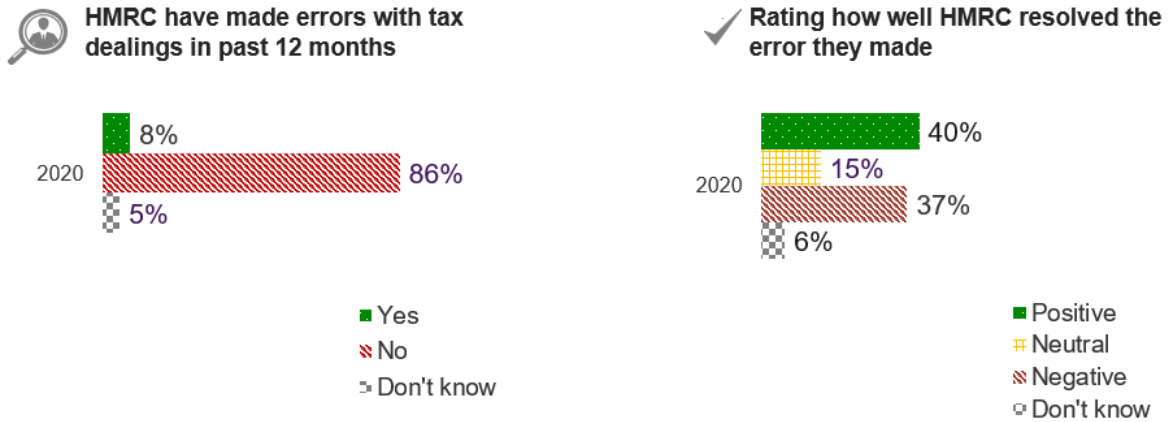
Also, for the first time in 2020, two new questions were asked to explore the extent to which HMRC is viewed as accountable. Small Businesses were asked whether HMRC had made an error with their tax dealings in the last 12 months. If so, they were asked to rate how well HMRC resolved the error they made.

Eight per cent of Small Businesses reported that HMRC had made an error in their tax dealings (Chart 4.29 and Table 4.29). This was more common among businesses with a turnover above £85,000 (13% and those with employees (11%) than those with a turnover up to £85,000 (4%) and those with no employees (5%).

Businesses which interacted by telephone and online (15%) were more likely to say HMRC had made errors than those which interacted online only (5%).



**Chart 4.29 Perception that HMRC is accountable – Small Businesses**



Q4account. Over the last 12 months, have HMRC made any errors with your tax dealings? Base: All respondents. (2020: 2700). \*This question was first asked in 2020. Q4resolve. How would you rate HMRC at resolving the error(s) they made? Base: Respondents who said HMRC made any errors with their / their clients' tax dealings (2020: 242). \*This question was first asked in 2020

**Table 4.29 Perception that HMRC is accountable – Small Businesses**

	2020 %
<b>HMRC have made errors with tax dealings in past 12 months:</b>	
Yes	8
No	86
Don't know	5
<b>Rating how well HMRC resolved the error they made</b>	
Positive	40
Neutral	15
Negative	37
Don't know	6

Q4account. Over the last 12 months, have HMRC made any errors with your tax dealings? Base: All respondents. (2020: 2700). \*This question was first asked in 2020. Q4resolve. How would you rate HMRC at resolving the error(s) they made? Base: Respondents who said HMRC made any errors with their / their clients' tax dealings (2020: 242). \*This question was first asked in 2020

## 4.6 Perceptions of HMRC's Reputation

This section examines Small Businesses' broader perceptions of HMRC as an organisation. They were asked to rate HMRC on the following:

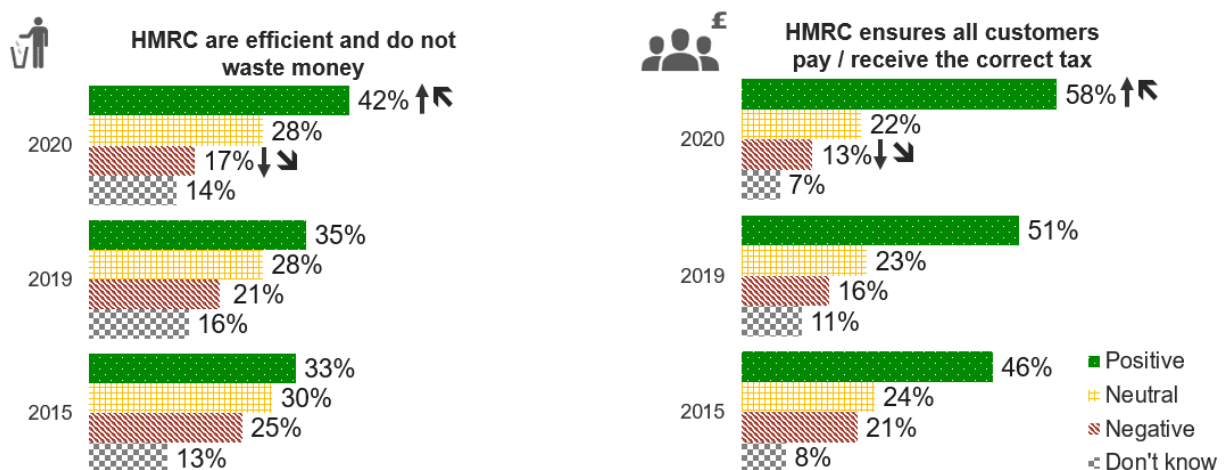
- efficient: HMRC is an efficient organisation that does not waste money
- effective: HMRC ensures all its customers pay/receive the correct amount of tax
- fair: HMRC applies penalties and sanctions equally for all of its customers
- protection of personal data: HMRC ensures that customers' data and personal information is treated confidentially
- overall confidence: How confident are you in the way HMRC are doing their job?
- favourability: How favourable or unfavourable is your overall opinion of HMRC taking into account everything you think is important?
- advocacy: Which of these phrases best describes the way you would speak about HMRC to other people or organisations?

Similar to previous years, ratings for these dimensions of reputation were substantially lower than the dimensions of customer experience although improvements have been seen. Higher proportions of respondents were neutral or did not know compared with the customer experience dimensions.

#### 4.6.1 Efficiency, effectiveness, and fairness

Positive ratings for efficiency and effectiveness have increased since 2019 and negative ratings for both have dropped. (Chart 4.30 and Table 4.30).

**Chart 4.30 Perceptions of HMRC's efficiency and effectiveness – Small Businesses**



Q5rep HMRC is an efficient organisation that does not waste money. Base: All respondents (2015: 2935; 2019: 2700; 2020: 2700); Q5rep HMRC ensures all of its customers pay or receive the correct amount of tax. Base: All respondents (2015: 2935; 2019: 2700; 2020: 2700)

**Table 4.30 Perceptions of HMRC's efficiency and effectiveness – Small Businesses**

	2020 %	2019 %	2015 %	Sig. change from 2019	Sig. change from 2015
<b>HMRC are efficient and do not waste money:</b>					
Positive	42	35	33	Yes	Yes
Neutral	28	28	30	No	No
Negative	17	21	25	Yes	Yes
Don't know	14	16	13	No	No
<b>HMRC ensures all customers pay/ receive the correct tax:</b>					
Positive	58	51	46	Yes	Yes
Neutral	22	23	24	No	No
Negative	13	16	21	Yes	Yes
Don't know	7	11	8	No	No

Q5rep HMRC is an efficient organisation that does not waste money. Base: All respondents (2015: 2935; 2019: 2700; 2020: 2700); Q5rep HMRC ensures all of its customers pay or receive the correct amount of tax. Base: All respondents (2015: 2935; 2019: 2700; 2020: 2700)

Just over four in ten (42%) Small Businesses rated HMRC's efficiency positively, nearly three in ten (28%) were neutral and nearly one in five (17%) gave a negative rating. Positive ratings increased by seven percentage points from 35% in 2019 and negative ratings decreased by four percentage points from 21% in 2019.

Positive ratings were higher amongst businesses with a turnover of up to £40,000 (50%) compared to businesses with a turnover over £40,000 (38%). The increase in positive ratings can be seen across all sub-groups, but particularly in smaller businesses with turnover up to £20,000 (51% in 2020 compared with 43% in 2019).

Businesses that gave a positive rating to HMRC applying penalties and sanctions equally for customers were more likely to give a positive rating (69%) than those who gave a neutral (25%) or a negative rating (14%). A similar pattern can be seen for effectiveness (63% were positive compared to 18% that were neutral, 9% that were negative), confidence (57% were positive compared to 9% that were neutral and 4% negative) and empathy (58% that were positive compared to 17% that were neutral and 12% that were negative).

Nearly six in ten Small Businesses (58%) were positive about HMRC effectiveness (ensuring all customers pay and receive the correct amount of tax), over one in five (22%) were neutral and 13% gave a negative rating. This was an improvement since 2019, when 51% rated HMRC positively and 16% gave a negative rating. There were no particular sub-groups driving this increase.

Businesses with turnover of £40,000 or less were more likely to give a positive rating about HMRC effectiveness (65%) than businesses with turnover above £40,000 (53%).

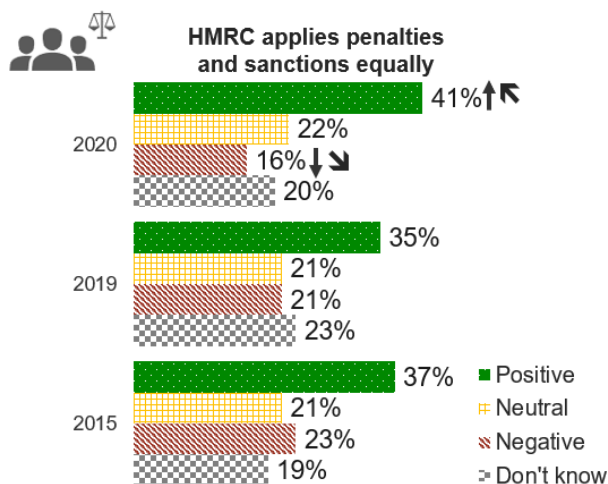
Businesses that give a positive rating that HMRC applies sanctions and penalties equally were more likely to give a positive rating about HMRC effectiveness (84%) than those that gave a neutral rating (43%) or negative rating (19%).

Businesses who gave a positive rating for HMRC getting tax transactions right were more likely to give a positive rating about HMRC effectiveness (65%) compared to those who have a neutral rating (25%) or a negative rating (26%). The same pattern can be seen for those who were positive that HMRC took clients' circumstances into account.

Businesses who gave a positive rating for HMRC being efficient were more likely to give a positive rating of HMRC being effective (85%) compared to those who gave a neutral (44%) or negative rating (21%). A similar pattern can be seen for measures of confidence (72% were positive, compared with 24% neutral and 16% negative), fairness (84% compared with 43% neutral and 19% negative) and empathy (72% compared with 36% negative and 24% negative).

About four in ten (41%) Small Businesses were positive about HMRC fairness (whether HMRC applies penalties and sanctions equally). Over one in five were neutral (22%), while 16% of Small Businesses were negative (Chart 4.31 and Table 4.31). There was an increase in positive ratings from 2019, up six percentage points from 35% and a corresponding decrease in negative ratings, down five percentage points from 21%.

**Chart 4.31 Perceptions of HMRC fairness – Small Businesses**



Q5rep HMRC applies penalties and sanctions equally for all of its customers. Base: All respondents (2015: 2935; 2019: 2700, 2020: 2700)

**Table 4.31 Perceptions of HMRC fairness – Small Businesses**

	2020 %	2019 %	2015 %	Sig. change from 2019	Sig. change from 2015
Positive	41	35	37	Yes	Yes
Neutral	22	21	21	No	No
Negative	16	21	23	Yes	Yes
Don't know	20	23	19	No	No

Q5rep HMRC applies penalties and sanctions equally for all of its customers. Base: All respondents (2015: 2935; 2019: 2700, 2020: 2700)

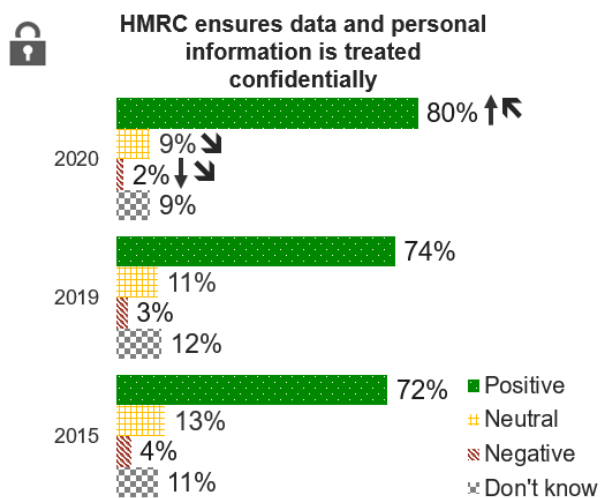
Self-employed businesses were significantly more likely to give a positive rating (44%) compared to businesses that were not self-employed (37%) and the increase in positive ratings appears to have been driven by the self-employed, whose positive ratings rose from 37% in 2019 up to 44% in 2020.

There appeared to be a link between positive ratings in relation to HMRC showing empathy and fairness. Businesses who were positive about HMRC taking their circumstances into account were more likely to be positive about fairness of HMRC (54%) than those who gave a neutral (23%) or a negative rating (16%). Businesses who were positive that unintentional errors would be helped to be resolved were also more likely to be positive on this measure (55%) than those that gave a neutral (25%) or a negative rating (9%). A similar pattern can be seen with efficiency (67% were positive compared with 30% neutral and 9% negative), effectiveness (60% compared with 22% neutral and 6% negative) and confidence ratings (53% compared with 14% neutral and 9% negative).

#### 4.6.2 Protection of personal information

Eight in ten Small Businesses (80%) were positive about HMRC ensuring data and personal information is treated confidentially. Nine per cent were neutral and only 2% gave a negative rating. This was the highest-rated dimension of HMRC's reputation (Chart 4.32 and Table 4.32). Ratings on this measure have increased from 74% in 2019.

**Chart 4.32 HMRC ensures customers' data and personal information is treated confidentially – Small Businesses**



Q5data HMRC ensures that customers' data and personal information is treated confidentially. Base: All respondents (2015: 2935; 2019: 2700; 2020: 2700)

**Table 4.32 HMRC ensures customers' data and personal information is treated confidentially – Small Businesses**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	80	74	72	Yes	Yes
Neutral	9	11	13	No	Yes
Negative	2	3	4	Yes	Yes
Don't know	9	12	11	No	No

Q5data HMRC ensures that customers' data and personal information is treated confidentially. Base: All respondents (2015: 2935; 2019: 2700; 2020: 2700)

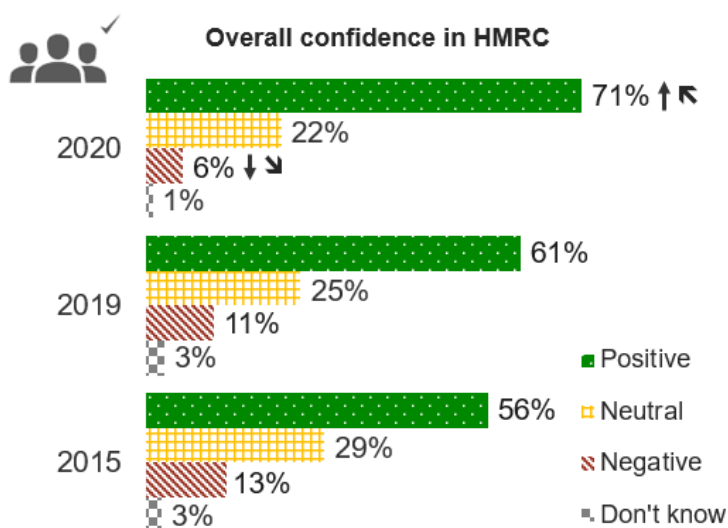
Businesses that rated HMRC positively for empathy, such as taking business's circumstances into account were more likely to be positive on this measure (87%) than those who gave a neutral (70%) or a negative rating (63%). This was also true for those who thought HMRC would help resolve unintentional errors (88% of those who rated HMRC positively in resolving unintentional errors also rated HMRC positively on this measure compared with 73% who gave a neutral rating and 58% who gave a negative rating).

There were no particular sub-groups driving the increase since 2019.

#### 4.6.3 Overall confidence in HMRC

Seven in ten (71%) Small Businesses were confident in the way HMRC were doing their job. Over one in five (22%) were neutral and 6% were negative (Chart 4.33 and Table 4.33). Positive ratings increased significantly compared with 2019 (61%) and there have been corresponding decreases in neutral and negative ratings (25% and 11% respectively in 2019).

**Chart 4.33 Confidence in HMRC – Small Businesses**



Q5conf How confident are you in the way HMRC are doing their job? Base: All respondents (2015:2935; 2019: 2700; 2020: 2700).

**Table 4.33 Confidence in HMRC – Small Businesses**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	71	61	56	Yes	Yes
Neutral	22	25	29	No	No
Negative	6	11	13	Yes	Yes
Don't know	1	3	3	No	No

Q5conf How confident are you in the way HMRC are doing their job? Base: All respondents (2015:2935; 2019: 2700; 2020: 2700).

Businesses with a turnover of £40,000 or less were more likely to have confidence in HMRC (77%) than businesses with a turnover above £40,000 (66%). Businesses that applied to use a Government Covid-19 support scheme were more likely to have confidence in HMRC (72%) than those that did not (66%).

Overall confidence was closely related to overall experience. Small Businesses with a positive overall experience were about four times as likely to be confident in HMRC than those with a negative overall experience (81% compared with 19%).

A positive rating for overall confidence was also associated with positive scores for efficiency (95%), fairness (86%) and effectiveness (91%) and empathy (taking business circumstances into account and helping resolve unintentional errors (85% for both)).

The increase in confidence since 2019 may have been driven by a range of sub-groups: larger businesses with 10-19 employees (up from 56% to 69%), self-employed businesses (up from 63% to 76%) and those who outsource some work (57% to 70%).

#### 4.6.4 Favourability and advocacy

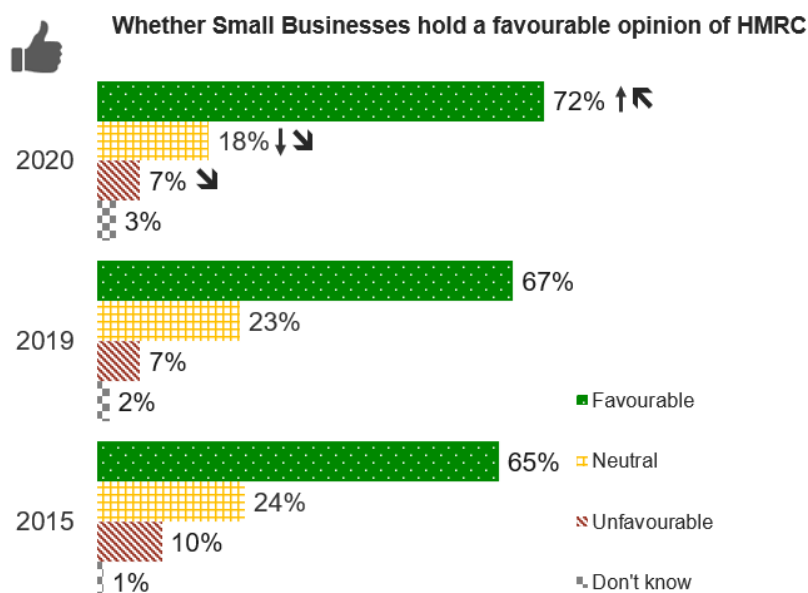
Over seven in ten Small Businesses (72%) were favourable towards HMRC while nearly one in five (18%) were neutral and 7% were unfavourable. Favourability has increased over time from 65% in 2015 and 67% in 2019 (Chart 4.34 and Table 4.34).

The significant increase in favourability since 2019 is broadly consistent across sub-groups; however it is particularly pronounced among the self-employed. Self-employed businesses were not only more likely to be favourable (75%) towards HMRC than those who were not (68%) but had also increased in their favourability since 2019 (69% to 75%).

There was a strong association between overall customer experience and favourability: businesses that gave a positive rating for their overall experience were more likely to give a positive rating (83%) than those that gave a neutral rating (34%) or negative (12%).

Businesses that gave a positive rating to HMRC for fairness (applying penalties and sanctions equally) were more likely to be positive (88%) than those who gave a neutral (70%) or a negative rating (44%). A similar pattern can be seen for other perception measures.

**Chart 4.34 Favourability towards HMRC – Small Businesses**



Q5favor And how favourable or unfavourable is your overall opinion of HMRC taking into account everything you think is important? Base: Random half of all respondents who were asked Q5favour (2015: 2935; 2019: 1353; 2020: 1368).

**Table 4.34 Favourability towards HMRC – Small Businesses**



	2020 %	2019 %	2015 %	Sig. change from 2019	Sig. change from 2015
Favourable	72	67	65	Yes	Yes
Neutral	18	23	24	Yes	Yes
Unfavourable	7	7	10	No	Yes
Don't know	3	2	1	No	No

Q5favor And how favourable or unfavourable is your overall opinion of HMRC taking into account everything you think is important? Base: Random half of all respondents who were asked Q5favour (2015: 2935; 2019: 1353; 2020: 1368).

Over four in ten Small Businesses (43%) would speak well of HMRC to others (Chart 4.35 and Table 4.35). Slightly more (46%) had a neutral view, while under one in ten (8%) would be critical of HMRC to others.

Over the last year, there was an increase in businesses that would speak well of HMRC (32% in 2019, 43% in 2020). There was a corresponding decrease in businesses who would be critical (8% in 2020, down from 13% in 2019).

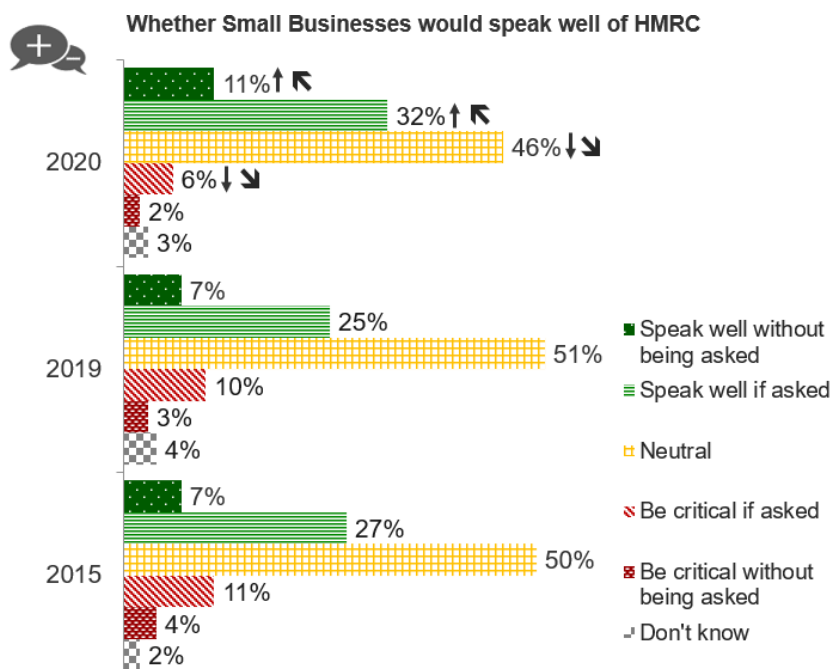
As would be expected, there was a strong relationship between advocacy and customer experience. Businesses that gave a positive rating for their overall experience were more likely to speak well of HMRC (51%) than those that gave a neutral (13%) or negative rating (9%).

Businesses with a turnover up to £40,000 were more likely to speak well of HMRC (53%) than those with a turnover above £40,000 (41%). Businesses that do all the work in the business (53%) were also more positive than those who outsource some (41%) or all (40%) of the work to an agent

The increase since 2019 in those speaking well of HMRC may have been driven by those businesses who do all the work in the business relating to accounts, payroll and tax (up from 35% to 53%) and self-employed Small Businesses (32% to 46%).

Businesses that gave a positive rating to HMRC being efficient were more likely to speak well of HMRC (66%) than those who gave a neutral (33%) or a negative rating (11%). A similar pattern can be seen for other perception measures.

#### **Chart 4.35 Whether would speak well of HMRC – Small Businesses**



Q5advo Which of these phrases best describes the way you would speak about HMRC to other people or organisations? Would you... Base: Random half of all respondents who were asked Q5advo (2015: 2935; 2019: 1353; 2020: 1368).

**Table 4.35 Whether would speak well of HMRC – Small Businesses**

	2020 %	2019 %	2015 %	Sig. change from 2019	Sig. change from 2015
Speak well without being asked	11	7	7	Yes	Yes
Speak well if asked	32	25	27	Yes	Yes
Neutral	46	51	50	Yes	Yes
Be critical if asked	6	10	11	Yes	Yes
Be critical without being asked	2	3	4	No	No
Don't know	3	4	2	No	No

Q5advo Which of these phrases best describes the way you would speak about HMRC to other people or organisations? Would you... Base: Random half of all respondents who were asked Q5advo (2015: 2935; 2019: 1353; 2020: 1368).

## 4.7 Perceptions of compliance

This section examines Small Businesses' general views and opinions about compliance with the tax system. It explores the relationship between experience and perceptions of HMRC with views on compliance.

These questions were first asked in 2016, so baseline comparisons are made with 2016 rather than 2015. No comparative measures are presented for tax avoidance between 2019 and 2018 as the question wording was changed in 2018, following cognitive testing. The question wording used in 2020 was the same as in 2016, 2017 and 2019. In 2020, Small Businesses were also asked if they felt HMRC was effective in preventing or reducing tax avoidance.

#### 4.7.1 Acceptability and extent of tax evasion

Small Businesses were asked about the acceptability of businesses evading tax, which was described as ‘reducing the amount of taxes paid by not declaring all income to HMRC’. The majority of Small Businesses said tax evasion was never acceptable (89%, Chart 4.36 and Table 4.36). A small minority said tax evasion was acceptable in some circumstances (8%) and 1% said it was always acceptable. There was no change since 2019.

A third (32%) of Small Businesses thought tax evasion was widespread. Around half (51%) felt it was not widespread, while nearly one in five (17%) said they did not know. While the proportion saying it is widespread has not changed since 2019, there has been an increase in those believing it is not widespread (up five percentage points from 46% in 2019). There was a corresponding decrease in those saying they did not know from 21% in 2019 up to 17% in 2020.

**Chart 4.36 Acceptability of tax evasion and perception of how widespread it is – Small Businesses**



Q6reduce Acceptability of reducing amount of tax paid by not declaring all income to HMRC. Base: All respondents (2016: 2936; 2018: 2701; 2019: 2700; 2020: 2700). Q6declare Whether thinks it is widespread for individuals and businesses to not declare all their income for tax. Base: All respondents (2016: 2936; 2018: 2701; 2019: 2700; 2020: 2700)

**Table 4.36 Acceptability of tax evasion and perception of how widespread it is – Small Businesses**

	2020	2019	2016	Sig. change from 2019	Sig. change from 2016
	%	%	%		
<b>Acceptability of tax evasion</b>					

	2020 %	2019 %	2016 %	Sig. change from 2019	Sig. change from 2016
Never acceptable	89	88	90	No	No
Acceptable in some circumstances	8	7	7	No	No
Always acceptable	1	2	1	No	No
Don't know	1	2	2	No	No
<b>How widespread tax evasion is perceived to be</b>					
Not widespread	51	46	46	Yes	Yes
Widespread	32	32	30	No	No
Don't know	16	21	25	Yes	Yes

Q6reduce Acceptability of reducing amount of tax paid by not declaring all income to HMRC. Base: All respondents (2016: 2936; 2018: 2701; 2019: 2700; 2020: 2700). Q6declare Whether thinks it is widespread for individuals and businesses to not declare all their income for tax. Base: All respondents (2016: 2936; 2018: 2701; 2019: 2700; 2020: 2700)

Businesses with a turnover of over £500,000 (93%) were more likely to say tax evasion was never acceptable than those with a turnover up to £40,000 (87%). Those with a positive overall experience (90%) were also more likely to say this than those with a negative experience (81%)

Businesses with a turnover up to £40,000 were more likely to think tax evasion is widespread (39%) compared to businesses with a turnover over £40,000 (29%).

#### 4.7.2 Acceptability and extent of tax avoidance

Small Businesses were asked how acceptable they felt it was that “some people try to exploit tax rules to gain a tax advantage that Parliament didn’t intend – in other words, operating within the letter, but not the spirit of the law”. Over seven in ten Small Businesses (73%) said it was never acceptable to avoid tax. One in five (20%) said it was acceptable in some circumstances and 4% said it was always acceptable. The proportion of Small Businesses saying it was never acceptable increased by four percentage points from 69% in 2019 (Chart 4.37 and Table 4.37).

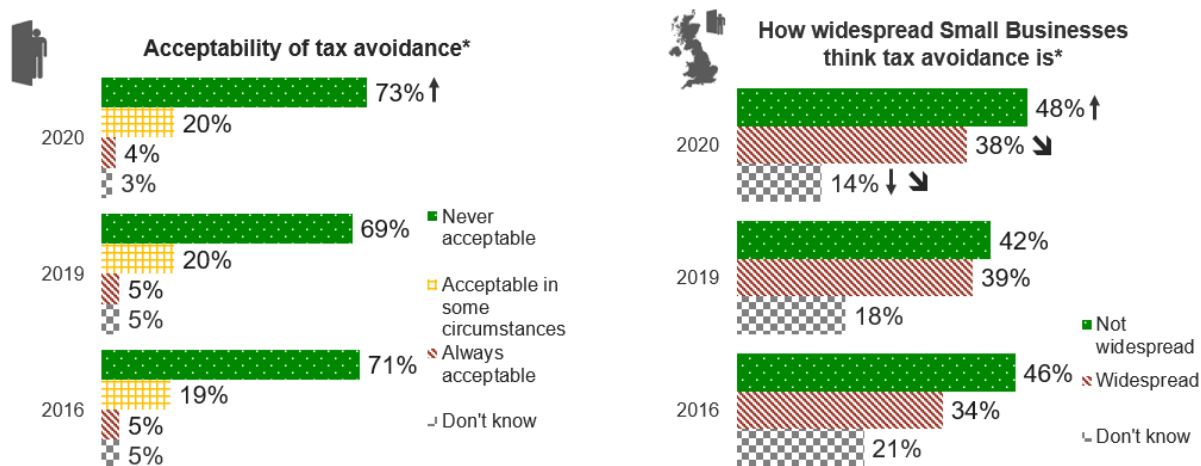
Customers with a positive overall experience of HMRC were more likely to agree that tax avoidance was never acceptable (74%) than those with a negative (60%) experience. Businesses that were not VAT mandated (75%) were more likely to agree that tax avoidance was never acceptable than those who were mandated (69%).

The increase in the proportion of Small Businesses saying tax avoidance it is never acceptable appears to be driven by an increase in the proportion of Small Businesses with a turnover between £20,000 and £85,000 reporting this (which has increased by seven percentage points from 70% to 77%).

Small Businesses were also asked how widespread they felt tax avoidance was. Nearly four in ten (38%) said it was widespread (Chart 4.37 and Table 4.37) and nearly half (48%) said it was not widespread. Fourteen per cent said they did not know. Although there was no change since 2019 in the proportion saying it was widespread, there was an increase in the proportion saying it was not widespread (up from 42% in 2019 up to 48%) and a corresponding decrease in those saying they did not know (down from 18% in 2019 up to 14%).

No sub-group differences were evident.

**Chart 4.37 Acceptability of tax avoidance and perception of how widespread it is – Small Businesses**



Q6exploit Acceptability of exploiting rules to gain tax advantage. Base: All respondents (2016: 2936; 2019: 2700; 2020: 2700). Q6behaviour Whether thinks it is widespread for individuals and businesses to exploit rules to gain a tax advantage. Base: All respondents (2016: 2936; 2017: 2941; 2019: 2700; 2020: 2700); \*These questions were not asked in 2015. Different question wording used in 2018, data therefore not comparable to 2019.

**Table 4.37 Acceptability of tax avoidance and perception of how widespread it is – Small Businesses**

	2020	2019	2016	Sig. change from 2019	Sig. change from 2016
	%	%	%		
<b>Acceptability of tax avoidance</b>					
Never acceptable	73	69	71	Yes	No
Acceptable in some circumstances	20	20	19	No	No
Always acceptable	4	5	5	No	No
Don't know	3	5	5	No	No
<b>How widespread Small Businesses think tax avoidance is</b>					
Not widespread	48	42	46	Yes	No

	2020 %	2019 %	2016 %	Sig. change from 2019	Sig. change from 2016
Widespread	38	39	34	No	Yes
Don't know	14	18	21	Yes	Yes

Q6exploit Acceptability of exploiting rules to gain tax advantage. Base: All respondents (2016: 2936; 2019: 2700; 2020: 2700). Q6behaviour Whether thinks it is widespread for individuals and businesses to exploit rules to gain a tax advantage. Base: All respondents (2016: 2936; 2017: 2941; 2019: 2700; 2020: 2700); \*These questions were not asked in 2015. Different question wording used in 2018, data therefore not comparable to 2019.

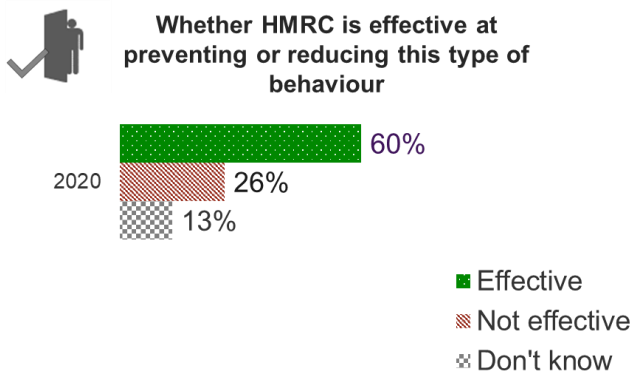
#### 4.7.3 Effectiveness of HMRC in preventing or reducing tax avoidance

For the first time in 2020, Small Businesses were asked how effective they thought HMRC was in preventing or reducing tax avoidance. Three in five (60%) thought HMRC was effective, while a quarter thought it was not very or not at all effective (26%). Thirteen per cent did not know (Chart 4.38 and Table 4.38).

Those with a positive overall experience were more likely to think HMRC was effective at tackling tax avoidance (65%) than those with a neutral (44%) or negative (36%) experience.

There was also a relationship between views on how effective HMRC is in tackling tax avoidance and how widespread it was perceived to be. Those that thought tax avoidance was not widespread (67%) were more likely to think HMRC was effective than those that thought it was (57%).

**Chart 4.38 Perceptions of effectiveness at preventing or reducing tax avoidance – Small Businesses**



Q6challenge. How effective do you think HMRC is in preventing or reducing this type of behaviour. Base: Half sample B (2020: 1332)

**Table 4.38 Perceptions of effectiveness at preventing or reducing tax avoidance – Small Businesses**

	2020 %
Effective	60

	<b>2020</b>
	%
Not effective	26
Don't know	13

Q6challenge. How effective do you think HMRC is in preventing or reducing this type of behaviour. Base: Half sample B (2020: 1332)

## 4.8 Making Tax Digital

HMRC's ambition is to become one of the most digitally advanced tax administrations in the world, modernising the tax system to make it more effective, more efficient and easier for customers to comply. Making Tax Digital (MTD) will make it easier for businesses to get their tax right first time and manage their tax affairs in real-time. Under MTD for VAT, businesses with a taxable turnover above the VAT threshold (currently £85,000) have been required to keep VAT records digitally and submit their VAT returns directly from their software, for VAT periods starting on or after 1<sup>st</sup> April 2019. VAT registered businesses with turnover below the VAT threshold are not required to use MTD but can choose to do so voluntarily.

In July 2020 HMRC set out its roadmap for the further rollout of MTD, with the expansion of mandatory MTD for VAT from April 2022 and the introduction of mandatory MTD for Income Tax Self-Assessment (ITSA) from April 2023.

In the 2020 survey all Small Businesses were asked about their awareness of the changes to MTD announced in July 2020:

HMRC has introduced changes to how businesses provide information relating to their tax obligations. Businesses are required to keep their tax records digitally and to file returns to HMRC directly through compatible software. This is known as Making Tax Digital.

In July 2020 the government announced that Making Tax Digital will be extended to all businesses below the VAT threshold from April 2022, and businesses and landlords within Income Tax Self-Assessment from April 2023.

Before this interview, how much did you know about these new changes?

This report section looks at awareness of the new MTD roll outs in 2022 and 2023, what benefits Small Businesses thought would come from MTD and how Small Businesses are submitting VAT returns. Please note, this survey only covers small businesses and not landlords.

In this section, findings are reported for all Small Businesses surveyed, and for the subset of Small Businesses that were required to join MTD for VAT by keeping records digitally and providing VAT Returns online using functional compatible software from April 2019. These Small Businesses, referred to as the VAT mandated group in this report, were defined as those with turnover above the VAT threshold (£85,000) and reported that they paid VAT. Findings are also examined for the groups who will be impacted by the future changes – those who pay VAT but have turnover below the VAT threshold (from 2022) and those with a turnover of £10,000 or more who pay ITSA (from 2023).

### 4.8.1 Awareness of MTD

Small Businesses were asked how much they knew about changes announced in July 2020 to submitting VAT Returns. Over half of Small Businesses (53%) knew about changes to submitting VAT Returns. One in five (20%) knew “a lot” about them and a third (33%) knew “a little”. A further 15% had heard of the changes but knew nothing about them (Chart 4.39 and Table 4.39).

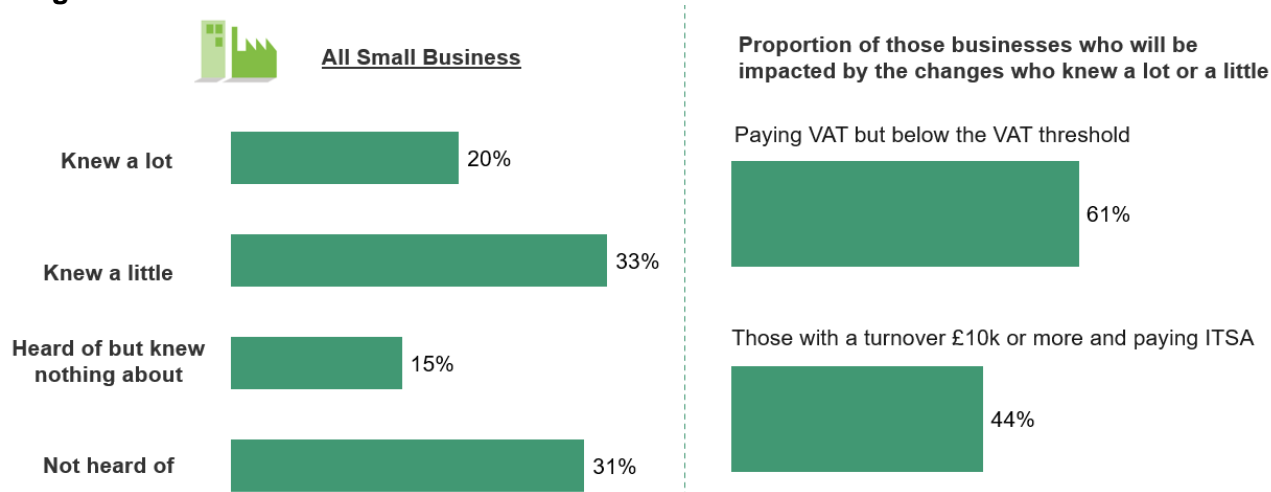
Businesses who pay VAT but are below the VAT threshold will be impacted by the changes from April 2022: three in five (61%) of these businesses knew at least a little about it. Those with a turnover of £10,000 or more who pay ITSA will be affected from April 2023: a smaller proportion of this group (44%) knew at least a little about the changes.

As might be expected, VAT mandated Small Businesses were more likely to know a lot about these changes than Small Businesses who are not VAT mandated (37%, compared with 11%).

Those who outsourced some work were more likely to say they knew a lot (26%) than those who do all the work in the business or outsource all the work (17% for both).

Small Businesses who use compatible third party software or use bridging software were more likely to know a lot about these changes than Small Businesses who did not submit VAT returns via MTD (39% and 38% compared with 2%).

**Chart 4.39 Awareness of changes in how businesses provide information relating to tax obligations**



Q5mtd How much did they know about changes HMRC is introducing to how businesses provide information relating to their tax obligations. Base: All respondents 2018 / Random half of all respondents (2020:1332)

**Table 4.39 Awareness of changes in how businesses provide information relating to tax obligations**

	2020
	%
<b>All Small Business</b>	
Knew a lot	20
Knew a little	33



	<b>2020</b>
	<b>%</b>
Heard of but knew nothing about	15
Not heard of	31
<b>Proportion of those businesses who will be impacted by the changes who knew a lot or a little</b>	
Paying VAT but below the VAT threshold	61
Those with a turnover £10k or more and paying ITSA	44

Q5mtd How much did they know about changes HMRC is introducing to how businesses provide information relating to their tax obligations. Base: All respondents 2018 / Random half of all respondents (2020:1332)

#### 4.8.2 Benefits associated with MTD

All Small Businesses that had heard of changes to Making Tax Digital were asked what benefits, if any, they saw for their business with the introduction of digital record keeping.

Nearly four in ten (37%) Small Businesses that had heard about these changes felt there would be no benefits associated with them. A further 12% said they did not know. The most common benefit cited was that the changes would “make submitting my tax information faster” (22%), followed by “reducing the risk of error in my tax return” (8%) (Chart 4.40 and Table 4.40).

Businesses who pay VAT but are below the VAT threshold (who will be impacted by the changes from April 2022) were no more likely than other Small Businesses to report that there were any benefits associated with them (38% reported that there would be no benefits compared to 37% who were not in this group). Businesses with a turnover of £10,000 or more who pay ITSA (who will be affected from April 2023) were less likely than other Small Businesses to report any benefits (41% reported that they did not see any benefits, compared to 35% of all other Small Businesses).

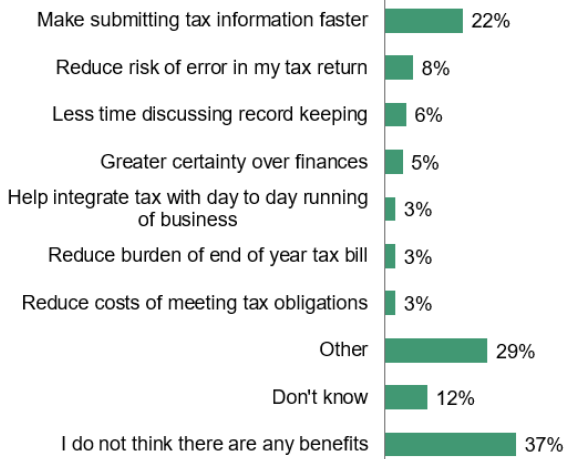
Larger businesses were more likely to see benefits in MTD (62% of those with a turnover above £500,000 compared with 34% of those with a turnover up to £20,000). In particular, businesses with a turnover above £500,000 felt it would make submitting their tax information faster (31% compared with 14% for businesses with a turnover up to £20,000).

Businesses in the VAT mandated group were more likely to see benefits in MTD (60%) than those who were not (43%) – this was more to do with lack of awareness of benefits among the non-mandated group than feeling it was not beneficial. The VAT mandated group were particularly likely to mention that MTD would “make submitting my tax information faster” (27% compared with 18% for non-mandated businesses) and that it would “allow me to spend less time discussing record keeping with my accounting, payroll or tax agent” (9% compared with 4% for non-mandated businesses).

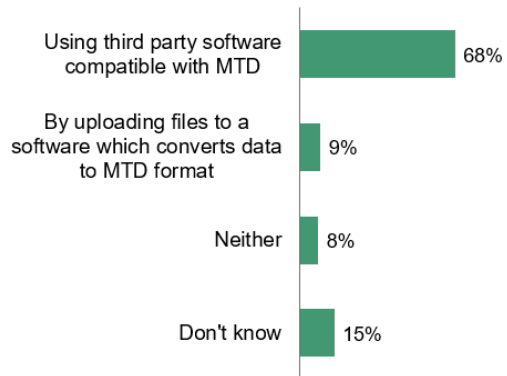
Businesses that did some of the financial work within the business were more likely to feel MTD would make submitting tax information faster than those who outsourced all the work (15%).

### Chart 4.40 Benefits associated with introduction of digital record keeping – Small Businesses

What benefits business foresees with the introduction of digital record keeping and quarterly updates\*



How does your business submit VAT returns?



Q5mtd\_benefits What benefits a respondent foresees for their business with the introduction of digital record keeping and quarterly updates. Base: All respondents who knew or heard of changes HMRC is introducing to how businesses provide information relating to their tax obligations: (Small Business: 2020: 944). \*This question was changed in 2020 and is not comparable to past data. Q6prepare Description of how the business plans to use commercial software to keep digital records of income and outgoings in the next 12 months. Base: All respondents: who paid VAT (Small Business: 2020: 1700).

**Table 4.40 Benefits associated with introduction of digital record keeping – Small Businesses**

	<b>2020</b>
	<b>%</b>
<b>What benefits business foresees with the introduction of digital record keeping and quarterly updates</b>	
Make submitting tax information faster	22
Reduce risk of error in my tax return	8
Less time discussing record keeping	6
Greater certainty over finances	5
Help integrate tax with day to day running of business	3
Reduce burden of end of year tax bill	3
Reduce costs of meeting tax obligations	3
Other	29
Don't know	12
I do not think there are any benefits	37
<b>How does your business submit VAT returns?</b>	
Using third party software compatible with MTD	68
By uploading files to a software which converts data to MTD format	9
Neither	8
Don't know	15

Q5mtd\_benefits What benefits a respondent foresees for their business with the introduction of digital record keeping and quarterly updates. Base: All respondents who knew or heard of changes HMRC is introducing to how businesses provide information relating to their tax obligations: (Small Business: 2020: 944). \*This question was changed in 2020 and is not comparable to past data. Q6prepare Description of how the business plans to use commercial software to keep digital records of income and outgoings in the next 12 months. Base: All respondents: who paid VAT (Small Business: 2020: 1700).

#### 4.8.3 How Small Businesses submit VAT returns

Small Businesses that said they paid VAT were asked how their business submits VAT returns.

Nearly seven in ten (68%) Small Businesses that paid VAT used third party software compatible with MTD to submit their VAT returns (here on referred to as third party software). One in ten (9%) uploaded files into software which converts data to the format required for MTD. A similar proportion (8%) said they were doing neither and 15% did not know (Chart 4.40 and Table 4.40). Use of third party software increased from 59% in 2019 up to 68% in 2020.

Businesses with turnover above £500,000 were more likely to use third party software (80%) compared to businesses with turnover below £500,000 (66%).

Businesses that were part of the VAT mandated group and therefore required to submit VAT returns via MTD were more likely to use third party software (75%) than non-mandated businesses (51%). Those who were below the VAT threshold (who can use MTD on a voluntary basis at present) were more likely to say they were not submitting VAT returns via MTD (16% compared with 4% of those above the threshold) or that they did not know how they were submitting returns (22% compared with 13% above the threshold).

Unsurprisingly, Small Businesses that outsourced all work to an agent were more likely not to know how their VAT returns were submitted (24%), while those doing all the work within the business were least likely to be unaware (6%).

# 5. Agents

## 5.1 Chapter Summary

Fieldwork for the Agents survey took place during the Covid-19 pandemic when Government Covid-19 support schemes were available. Nearly two-thirds (63%) of Agents applied for at least one scheme, and of these 95% were granted support.

Most Agents (72%) interacted with HMRC by telephone and online, although this decreased from 77% in 2019. There was a corresponding increase in the proportion of Agents only interacting with HMRC online, up from 21% in 2019 up to 25% in 2020. Only one per cent of Agents only used the telephone in their interactions with HMRC (no change since 2019).

Ratings of HMRC's online services and webpages have improved, with ratings of online services increasing from 61% in 2019 up to 74% 2020 and webpages from 54% to 64%. There was a decrease in positive ratings of the dedicated Agents telephone helpline (61% in 2019 down to 57% in 2020), however, there was an increase in positive ratings of other telephone helplines (30% to 35%).

Six in ten Agents (61%) had a positive overall experience of dealing with HMRC (up from 51% in 2019). This was not driven by any particular sub-group. However, there were more Agents in 2020 than 2019 only using online channels of contact and such Agents tended to be more positive, so this may explain some of this change.

The primary areas for improvement (measures where HMRC performed less well but were strongly linked to overall experience) were:

- resolving any queries or issues (53% positive)
- the acceptability of time taken to reach the end result (41% positive)

Since 2019 there were improvements in positive ratings on all dimensions of customer experience.

There were some positive changes to the views of the administration of the tax system, with increases in the proportions of Agents giving positive ratings about the ease of dealing with tax issues, personalisation of services, and online services being joined up.

Perceptions of HMRC's reputation have changed since 2019, with an increase in positive ratings on all dimensions of reputation.

Six in ten (60%) Agents thought tax avoidance is never acceptable. Over nine in ten (93%) thought tax evasion is never acceptable. There were increases in Agents who thought tax evasion was widespread since 2019 (42% to 47%) and that tax avoidance was widespread since 2019 (46% to 52%).

## 5.2 Profile of Agents and their interactions with HMRC

This section covers the characteristics of Agents that took part in the survey. It also examines how they interacted with HMRC in the previous 12 months on behalf of their clients, identifying the services provided to clients and channels of communication used. This provides useful context for

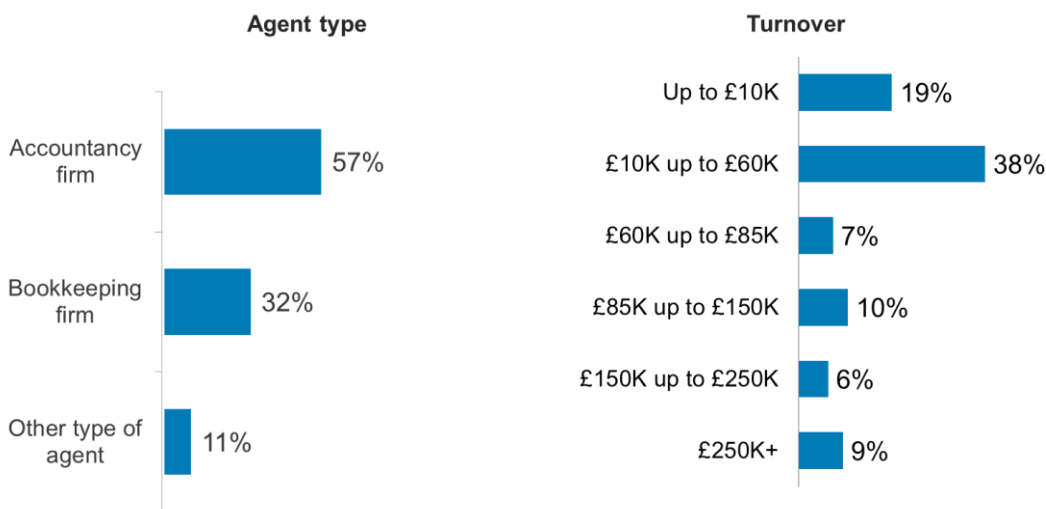
the later sections of this chapter covering Agents' customer experience and general perceptions of HMRC.

### 5.2.1 Business characteristics

Business characteristics remained broadly similar to previous years.

Nearly six in ten Agents (57%) classified their business as an accountancy firm, with three in ten (32%) reporting that they were a bookkeeping firm and one in ten (11%) identifying as another kind of Agent. Just over six in ten Agents (64%) had a turnover under £85,000 (Chart 5.1 and Table 5.1).

**Chart 5.1 Agent Type and Turnover – Agents**



Q7atype Is your business an accountancy firm / a bookkeeping firm / a payroll bureau / a tax adviser / a VAT consultant / other? Base: All respondents (2020: 2351) Q7turnover And what is your annual turnover? Base: All respondents (2020: 2351)

**Table 5.1 Agent Type and Turnover – Agents**

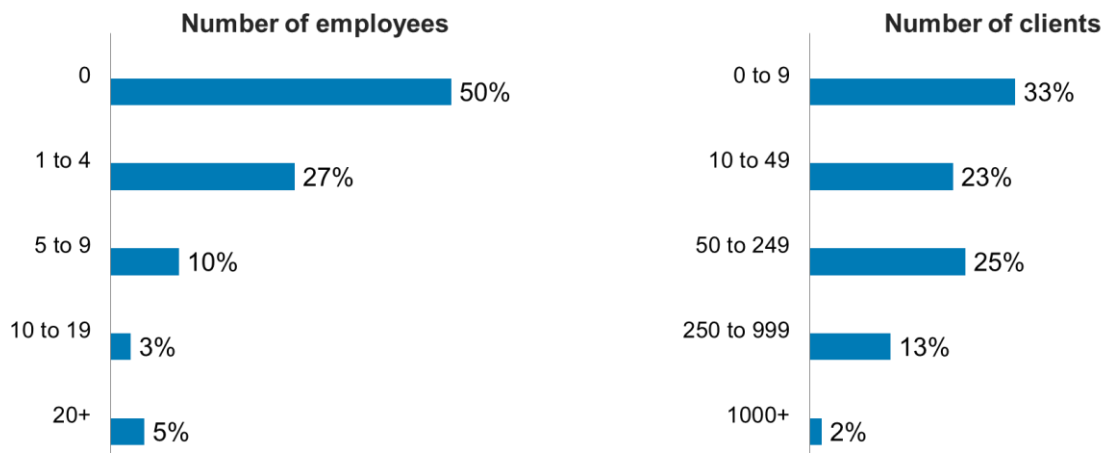
	<b>2020</b>
	<b>%</b>
<b>Agent type</b>	
Accountancy firm	57
Bookkeeping firm	32
Other type of agent	11
<b>Turnover</b>	
Up to £10K	19
£10K up to £60K	38
£60K up to £85K	7
£85K up to £150K	10
£150K up to £250K	6
£250K+	9

Q7atype Is your business an accountancy firm / a bookkeeping firm / a payroll bureau / a tax adviser / a VAT consultant / other? Base: All respondents (2020: 2351) Q7turnover And what is your annual turnover? Base: All respondents (2020: 2351)

The majority of Agents had few employees (Chart 5.2 and Table 5.2): half (50%) had 0 employees and about a quarter (27%) had 1 to 4 employees. One in ten (10%) had between 5 and 9 employees and 8% of Agents said that they had 10 or more employees.

Agents were asked approximately how many clients their business represented (Chart 5.2 and Table 5.2). Over half (56%) had fewer than 50 clients.

**Chart 5.2 Number of employees and number of clients – Agents**



Q7numemp Can you tell me roughly how many people there are employed in the organisation as a whole in the UK BESIDES yourself? Base: All respondents (2020: 2351); Q7numclient Approximately how many clients does your business represent? Base: All respondents (2020: 2351)

**Table 5.2 Number of employees and number of clients – Agents**

	2020 %
<b>Number of employees</b>	
0	50
1 to 4	27
5 to 9	10
10 to 19	3
20+	5
<b>Number of clients</b>	
0 to 9	33
10 to 49	23
50 to 249	25
250 to 999	13
1000+	2

Q7numemp Can you tell me roughly how many people there are employed in the organisation as a whole in the UK BESIDES yourself? Base: All respondents (2020: 2351); Q7numclient Approximately how many clients does your business represent? Base: All respondents (2020: 2351)



Nearly six in ten (57%) Agents were accountancy firms, three in ten (32%) were bookkeeping firms and one in ten (11%) were other types of Agent, such as a tax adviser (5%), payroll bureau (2%) or VAT consultant (1%).

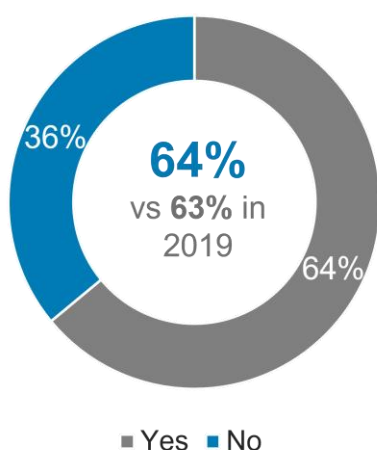
Firm size (number of employees and number of clients) was linked to Agent type. Eight in ten bookkeeping firms (80%) had 0 employees and nine in ten (92%) had fewer than 50 clients, while over two-thirds of accountancy firms had employees (62%) or 50 or more clients (62%).

Most Agents had been operating for a number of years. Two-thirds (64%) had been operating for over ten years, while two in ten (20%) had been operating for between five and ten years. Only 3% of Agents had been established for less than two years.

### 5.2.2 Membership of professional organisations

Two-thirds (64%) of Agents reported that they were members of a professional body.

**Chart 5.3 Whether member of a professional organisation – Agents**



Q7org Are you a member of a professional organisation? Base: All respondents (Agents: 2020: 2351)

**Table 5.3 Whether member of a professional organisation – Agents**

	2020	2019	Sig. change from 2019
	%	%	
Yes	64	63	No
No	36	36	No

Q7org Are you a member of a professional organisation? Base: All respondents (Agents: 2019: 2349; 2020: 2351)

Professional membership was more likely among Agents:

- with employees (80%) than those with 0 employees (48%)
- with 50 or more clients (82%) than those with 10 to 49 clients (66%) or those with less than 10 clients (39%)

- that were accountancy firms (80%) or other types of firm (57%) than bookkeeping firm Agents (39%)

In general, and as noted throughout the remainder of this chapter, Agents that were not members of a professional body tended to be more positive about their experience with HMRC in the previous 12 months than those that were members.

### 5.2.3 Channels used to interact with HMRC

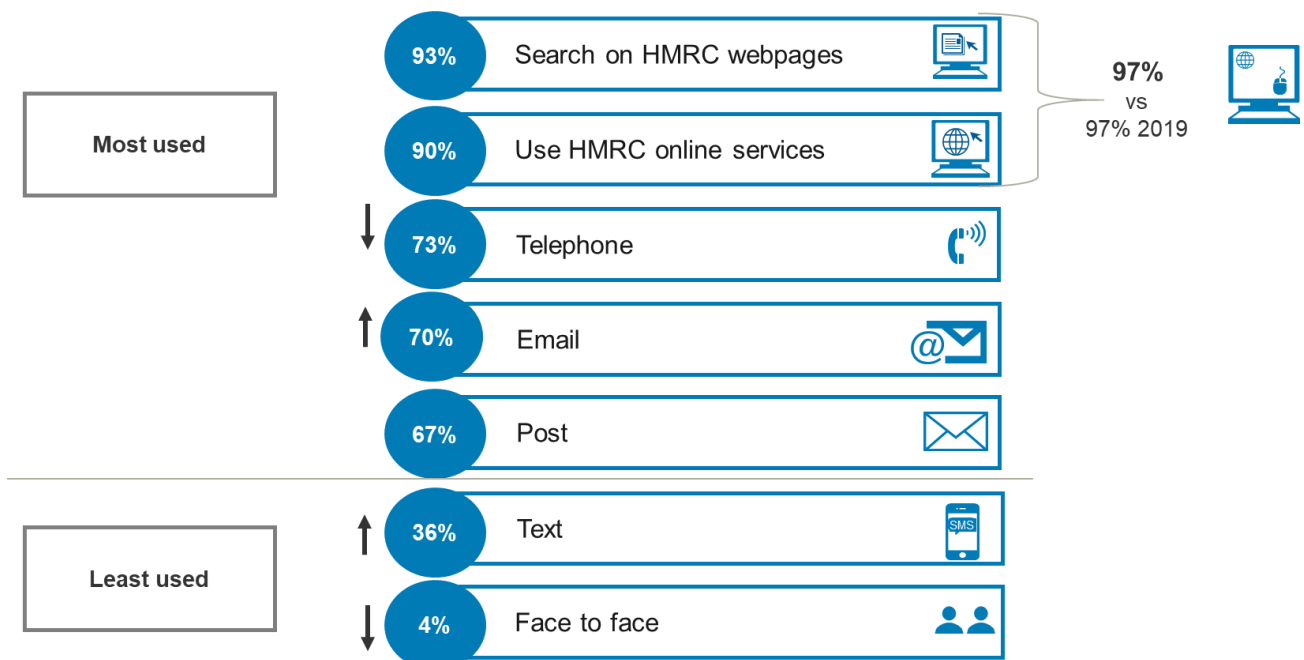
Agents were asked about the ways in which they had interacted with HMRC in the previous 12 months. An interaction was defined as making contact with, or receiving information from HMRC, or using HMRC’s online services. Agents reported having had contact with HMRC over the previous 12 months through a variety of channels (Chart 5.4 and Tables 5.4a and 5.4b).

Online channels were still the most popular, with almost all (97%) having some form of online contact with HMRC in the previous 12 months. Online interaction included searching for information on HMRC’s webpages (93%) and using HMRC online services (90%).

Nearly three-quarters (73%) had telephone contact, seven in ten (70%) had email contact, two-thirds had postal contact (67%), over a third (36%) had text contact, while only one in twenty (4%) had face-to-face contact.

Since 2019 contact via email has increased (from 67% in 2019 up to 70% in 2020) as has contact by text increased (from 33% in 2019 up to 36% in 2020). The proportion using telephone has decreased during this period (from 78% in 2019 to 73% in 2020) along with face-to-face contact (from 10% in 2019 to 4% in 2020). Changes in volumes of telephone and face to face contact are likely a result of changes to operating models as a result of the Covid-19 pandemic.

**Chart 5.4 Contact Channels used – Agents**



Q2cont In which of the following ways have you had any dealings with HMRC over the last 12 months? Base: All respondents (2019: 2349; 2020: 2351) Arrows refer to changes between 2019 and 2020 surveys.

**Table 5.4a Contact Channels used – Agents**

	2020 %	2019 %	Sig. change from 2019
Interacted with HMRC online (Net)	97	97	No

Q2cont In which of the following ways have you had any dealings with HMRC over the last 12 months? Base: All respondents (2019: 2349; 2020: 2351)

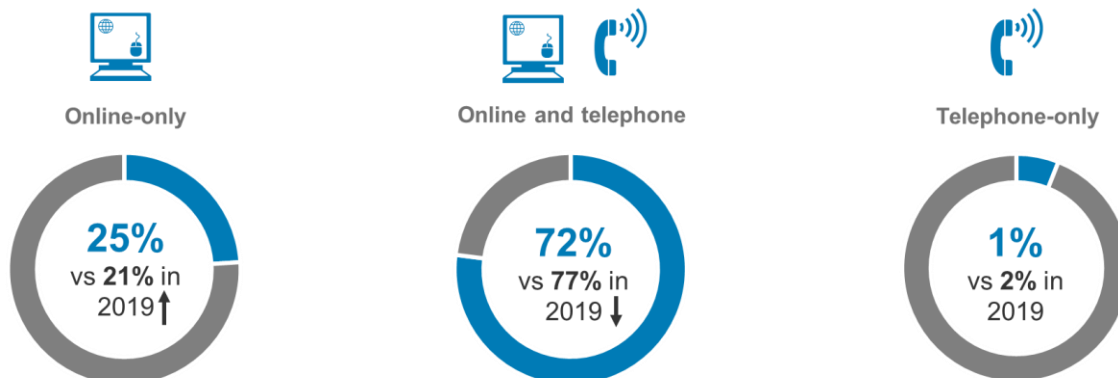
**Table 5.4b Contact Channels used – Agents**

	2020 %	Sig. change from 2019
<b>Most used</b>		
Search on HMRC webpages	93	No
Use HMRC online services	90	No
Telephone	73	Yes, decrease
Email	70	Yes, increase
Post	67	No
<b>Least used</b>		
Text	36	Yes, increase
Face to face	4	Yes, decrease

Q2cont In which of the following ways have you had any dealings with HMRC over the last 12 months? Base: All respondents (2020: 2351)

The proportion of Agents who only interacted with HMRC online increased from 21% in 2019 up to 25% in 2020 and 15% in 2015 (Chart 5.5 and Table 5.5). The proportion of Agents who used both online and telephone contact decreased from 77% in 2019 to 72% in 2020. Only 1% of Agents only used the telephone in their interactions with HMRC (no change since 2019).

**Chart 5.5 Contact Channels used – online and telephone – Agents**



Q2cont In which of the following ways have you had any dealings with HMRC over the last 12 months? Base: All respondents (2019: 2349; 2020: 2351) Arrows refer to changes between 2019 and 2020 surveys.

**Table 5.5 Contact Channels used – online and telephone – Agents**

	2020 %	2019 %	Sig. change from 2019
Online-only	25	21	Yes
Online and telephone	72	77	Yes
Telephone-only	1	2	No

Q2cont In which of the following ways have you had any dealings with HMRC over the last 12 months? Base: All respondents (2019: 2349; 2020: 2351)

Agents interacting online only were more likely:

- to have 0 employees (38%) compared with 10% with employees
- a lower turnover (up to £60,000 (36%) compared with 8% of those with turnover above £60,000)
- under 10 clients (49%) compared with 13% with more than 10 clients.
- to be bookkeeping firms (45%) or other types of agent (31%) rather than accountancy firms (12%)

Conversely, those who interacted both online and telephone tended to:

- have a turnover of £60,000 or more (91%) compared with 60% of those with turnover below £60,000
- have employees (89%) compared with 58% of those with 0 employees
- have 50 or more clients (93%) compared with 57% of those with fewer than 50 clients
- be accountancy firms (86%) or other types of firm (60%) than bookkeeping firms (51%)

The increase in online only interactions and decrease in online and telephone contact appears to have been driven by Agents with a £60,000-85,000 turnover and bookkeeping firms:

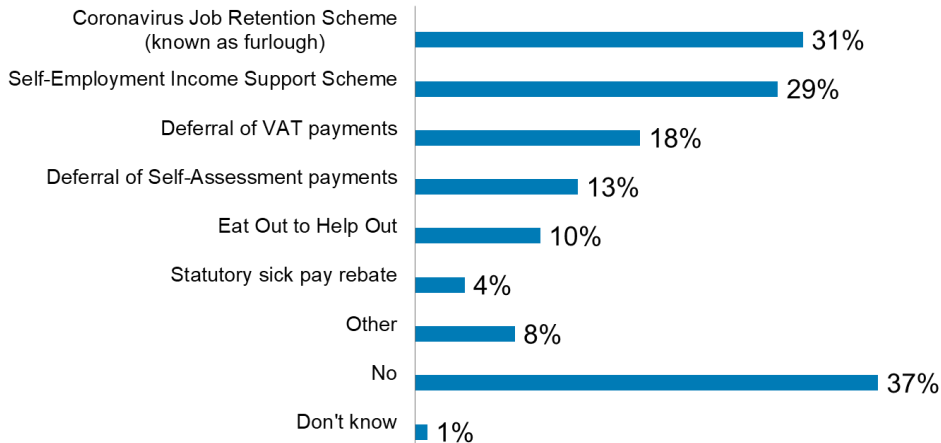
- among those with a turnover of £60,000 - £85,000, online only interactions increased from 6% to 2019 up to 13% in 2020, while online and telephone interactions decreased from 93% in 2019 to 87% in 2020.
- among bookkeeping firms, online only interactions increased from 39% in 2019 up to 45% in 2020, while online and telephone interactions decreased from 58% in 2019 to 51% in 2020.

### 5.3 Use of Government Covid-19 support schemes

Fieldwork for the Agents survey took place between September and November 2020, during which time a range of Government Covid-19 support schemes were available for businesses affected by the Covid-19 pandemic.

Agents were presented with a list of Government schemes which were designed to support businesses through the Covid-19 pandemic and were asked whether they had applied to use any. (The question was focused on their business and not their clients.) Nearly two-thirds (63%) of Agents applied for at least one Government Covid-19 support scheme since their introduction earlier in the year. A third applied for the Coronavirus Job Retention Scheme (known as furlough) (CJRS) (31%) and three in ten (29%) applied for the Self-Employment Income Support Scheme (SEISS). One in five (18%) applied for deferral of VAT payments and over one in ten (13%) applied for deferral of Self-Assessment payments. One in ten applied for the Eat Out to Help Out scheme (10%) (which could include Agents thinking about their personal use of the scheme) and one in twenty for the Statutory sick pay rebate (4%) (Chart 5.6 and Table 5.6).

**Chart 5.6 Whether applied to use a Government COVID-19 support scheme – Agents**



Q1COVID Whether applied to use a Government COVID-19 support scheme. Base: All Respondents (2020: 2351)

**Table 5.6 Whether applied to use a Government COVID-19 support scheme – Agents**

	2020 %
Coronavirus Job Retention Scheme (known as furlough)	31
Self-Employment Income Support Scheme	29
Deferral of VAT payments	18
Deferral of Self-Assessment payments	13
Eat Out to Help Out	10
Statutory sick pay rebate	4
Other	8
No	37
Don't know	1

Q1 COVID Whether applied to use a Government COVID-19 support scheme. Base: All Respondents (2020: 2351)

Larger Agents were more likely to apply for a Government Covid-19 support scheme than smaller ones. Agents with a turnover above £10,000 were more likely to apply, increasing from 65% for those with a turnover of £10,000 to £60,000 to 83% of those with a turnover above £250k having applied. Only 35% of those with a turnover up to £10,000 applied. Similarly, Agents who had employees were more likely to apply for a Government Covid-19 support scheme (73%) than those who had no employees (53%).

Agents with a turnover of £10,000-£60,000 (46%) and those with 0 employees (40%) were most likely to have applied for the SEISS.

Different types of agent were equally likely to have applied for a Government Covid-19 support scheme overall. Accountancy firms were more likely than bookkeeping firms to have applied for the furlough scheme (39% compared with 20%), deferral of VAT (22% compared with 12%) and Self-Assessment payments (15% compared with 9%), while bookkeeping firms were more likely to have applied for the SEISS (46% compared with 20% of accountancy firms). This is in keeping with the types of taxes that the different groups of Agents would be likely to be paying, and therefore which schemes they would be eligible for.

The majority of those who applied were granted support (95%). This breaks down to:

- 95% of those who applied for the CJRS received the support
- 93% of those who applied for the SEISS received the support
- 93% of those who applied for Deferral of VAT payments received the support
- 92% of those who applied for Deferral of Self-Assessment payments received the support
- 82% of those who applied for Statutory sick pay rebate received the support

## 5.4 Customer experience

This section discusses Agents' ratings of HMRC's online services, webpages and telephone helplines as well as overall customer experience.

This section also examines specific dimensions of customer experience and identifies those areas which are priority areas for HMRC to improve customer experience as well as secondary areas to improve or areas to maintain.

Finally, it examines Agents' views on how HMRC administers the tax system based on whether it treats customers fairly, makes it easy to deal with tax issues on behalf of their clients, whether services are personalised, and whether online services are joined up, whether HMRC treated Agents' clients empathetically and how well HMRC dealt with resolving errors they had made.

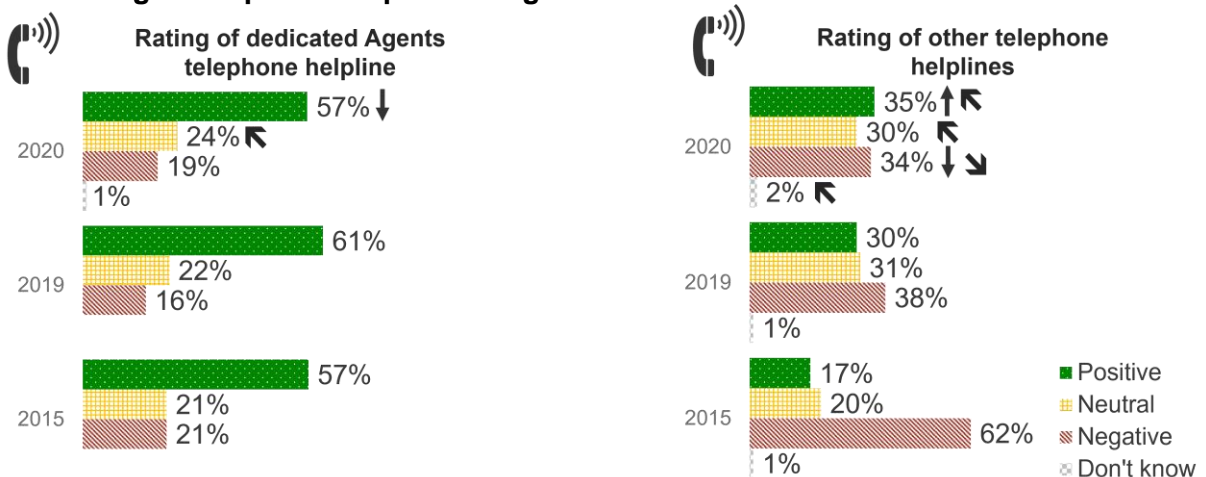
### 5.4.1 Telephone, online services and webpages

Where Agents had used HMRC's telephone helplines, they were asked to rate these (Chart 5.7 and Table 5.7). Similarly, where Agents had used HMRC's webpages or online services, they were asked to rate these contact channels (Chart 5.8 and Table 5.8).

Over half (57%) gave the dedicated Agents telephone helpline a positive rating, a decrease from 61% in 2019. This may reflect the deprioritisation of this service during the pandemic which resulted in increased telephone waiting times.<sup>16</sup> A quarter gave a neutral rating (24%, a rise from 22% in 2019) and one in five (19%) rated the dedicated helpline negatively. Given the rise in neutral ratings and negative ratings remaining stable, this would suggest some Agents' views have shifted from a positive to a neutral rating.

Although Agents were less positive about other HMRC helplines compared with ratings of the dedicated helpline, there was an increase in positive ratings since 2019 (35%, up from 30%). There was also a corresponding decrease in negative ratings (33% in 2020, down from 38% in 2019).

**Chart 5.7 Rating of telephone helplines – Agents**



Q2contexp You [also] said you [had contact with HMRC by telephone/ used HMRC's online services]. Please rate your experiences over the last 12 months of... Base: Respondents who used the dedicated Agents telephone helpline (2015:

<sup>16</sup> This link takes you to HMRC's annual report and accounts for 2019 to 2020: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/932874/HMRC\\_Annual\\_Report\\_and\\_Accounts\\_2019\\_to\\_2020\\_Print.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932874/HMRC_Annual_Report_and_Accounts_2019_to_2020_Print.pdf)

2211; 2019: 1906; 2020: 1753). Respondents who used any other telephone helplines (2015: 2137; 2019: 1741; 2020: 1595)

**Table 5.7 Rating of telephone helplines – Agents**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
<b>Rating of dedicated Agents telephone helpline</b>					
Positive	57	61	57	Yes	No
Neutral	24	22	21	No	Yes
Negative	19	16	21	No	No
Don't know	1	0	0	No	No
<b>Rating of other telephone helplines</b>					
Positive	35	30	17	Yes	Yes
Neutral	30	31	20	No	Yes
Negative	34	38	62	Yes	Yes
Don't know	2	1	1	No	No

Q2contexp You [also] said you [had contact with HMRC by telephone/ used HMRC's online services]. Please rate your experiences over the last 12 months of... Base: Respondents who used the dedicated Agents telephone helpline (2015: 2211; 2019: 1906; 2020: 1753). Respondents who used any other telephone helplines (2015: 2137; 2019: 1741; 2020: 1595)

Smaller Agents were more likely to give a positive rating for the dedicated Agents helpline than larger ones – 69% for those with a turnover up to £10,000 compared with 44% for those with a turnover over £250,000. The overall decrease in positive ratings since 2019 appears to be driven by larger Agents (for example, a decrease for those with turnovers above £250,000 from 60% to 44%) and accountancy firms (64% to 58%).

For other HMRC telephone helplines, smaller Agents, once again, were more positive than larger ones: forty-two per cent of those with a turnover of up to £60,000 gave a positive rating, compared with 26% with a turnover above £60,000.

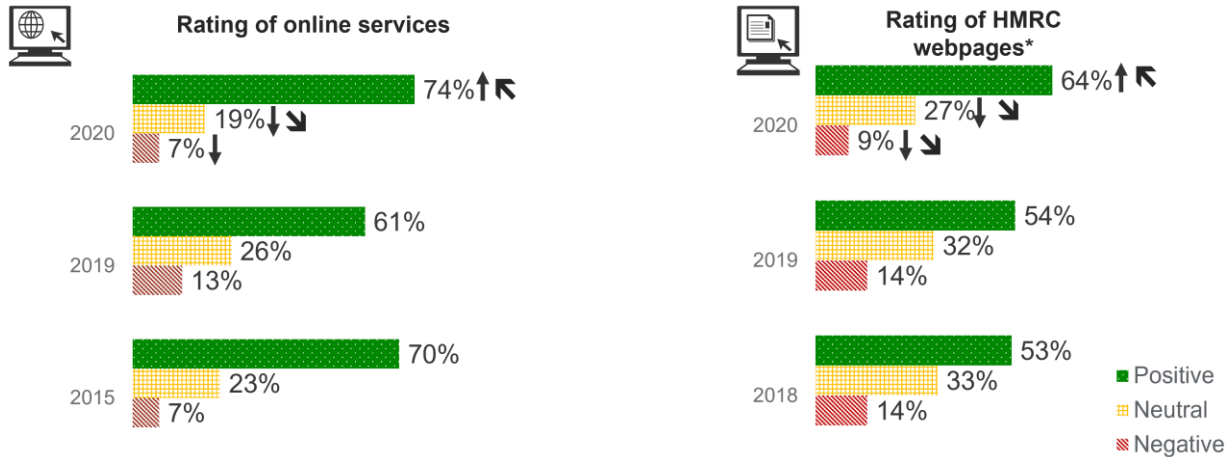
Bookkeeping firms (44%), other types of firm (39%) and those who were not members of a professional organisation (39%) were more positive than accountancy firms (31%) and members of professional organisations (33%).

Those who gave HMRC a positive rating for overall experience were more likely to rate other helplines as 'good' (54% compared to 8% of those with an overall negative rating).

Ratings of HMRC's online services and webpages have improved since 2019. Three-quarters of Agents (74%) gave a positive rating of HMRC online services, an increase from 61% in 2019. Two-thirds (64%) were positive about HMRC's webpages, up from 54% in 2019 (Chart 5.8 and Table 5.8a and 5.8b).



**Chart 5.8 Rating of online services – Agents**



Q2contexp You [also] said you [had contact with HMRC by telephone/ used HMRC’s online services]. Please rate your experiences over the last 12 months of... Base: Respondents who dealt with HMRC through HMRC’s online services (2015: 2482; 2019: 2161; 2020: 2128) / Respondents who dealt with HMRC through HMRC’s webpages (2018: 2195; 2019: 2200; 2020: 2205); \*This question was not asked in 2015, so there is no trend analysis from 2015

**Table 5.8a Rating of online services – Agents**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
<b>Rating of online services</b>					
Positive	74	61	70	Yes	Yes
Neutral	19	26	23	Yes	Yes
Negative	7	13	7	Yes	No

Q2contexp You [also] said you [had contact with HMRC by telephone/ used HMRC’s online services]. Please rate your experiences over the last 12 months of... Base: Respondents who dealt with HMRC through HMRC’s online services (2015: 2482; 2019: 2161; 2020: 2128)

**Table 5.8b Rating of HMRC webpages – Agents**

	2020	2019	2018	Sig. change from 2019	Sig. change from 2018
	%	%	%		
<b>Rating of HMRC webpages*</b>					
Positive	64	54	53	Yes	Yes
Neutral	27	32	33	Yes	Yes
Negative	9	14	14	Yes	Yes

Q2contexp You [also] said you [had contact with HMRC by telephone/ used HMRC’s online services]. Please rate your experiences over the last 12 months of... Respondents who dealt with HMRC through HMRC’s webpages (2018: 2195; 2019: 2200; 2020: 2205); \*This question was not asked in 2015, so there is no trend analysis from 2015.

Ratings for online services and HMRC webpages were higher among certain groups:

- Agents interacting with HMRC through online only channels were more positive about online services (84%) and HMRC webpages on gov.uk (73%) compared with Agents using both online and telephone channels to interact with HMRC, where 71% gave a positive rating for online services and 61% for HMRC webpages on gov.uk
- bookkeeping firms (83%) were more positive about online services than accountancy firms (70%). There was no difference by type of firm for webpages
- Agents with a turnover of less than £60,000 were more positive about HMRC's webpages on gov.uk (68%) and online services (82%) compared with those with turnover above £60,000 (57% and 62% respectively)
- Agents who were positive about HMRC across a range of measures (their overall experience, ease of acting on clients' behalf, HMRC providing tailored services, the Agents dedicated line) were more likely to give a positive rating of HMRC online services and webpages
- the increase in positive ratings since 2019 for webpages is likely to have been driven by accountancy firms, where there was an increase from 50% to 63%
- in 2019 it was felt that a decline in positive ratings since 2018 for online services were in part driven by Agents who found it difficult to deal with tax issues on behalf of their clients (40% in 2018 to 25% in 2019). In 2020, there was a substantial gain for this group, up from 25% to 43%, which may account for the overall increase since 2019

#### 5.4.2 Satisfaction with payment methods available

Agents were asked about their satisfaction with the payment methods available to make payments to HMRC and receive payments from them, both for their business and on behalf of clients (Chart 5.9 and Table 5.9).

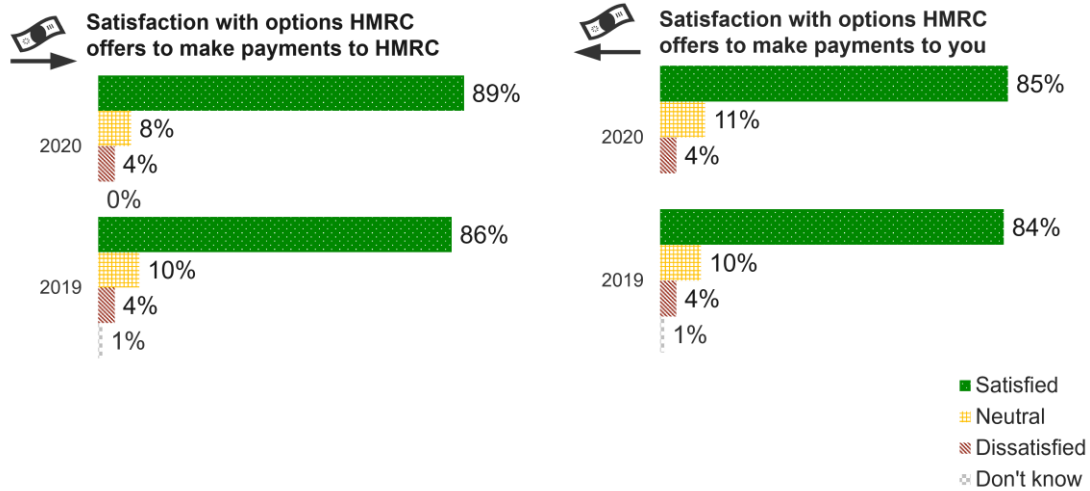
Satisfaction with both was high, with 89% giving a positive rating for methods to make payments to HMRC and 85% rating methods to receive payments positively. There was no change from 2019.

In both cases, the following types of Agent were more likely to give a positive rating:

- bookkeeping firms compared with accountancy firms (93% compared with 86% respectively for making payments and 90% compared with 82% respectively for receiving payments)
- those who gave a positive rating for their overall experience compared with those who gave a neutral or negative rating (92% compared with 83% for making payments and 93% compared with 73% for receiving payments)

- those who gave a positive rating for ease of dealing with tax issues compared with those who gave a neutral or negative rating (93% compared with 82% for making payments and 91% compared with 75% for receiving payments)

**Chart 5.9 Satisfaction with payment methods to make payments to HMRC – Agents**



Q6paymethdsmake HMRC has a range of methods that individuals and businesses can use to make payments to HMRC. On a scale of 1-5, where 5 is very satisfied and 1 is very dissatisfied, please rate how satisfied you are with the options HMRC offers you to make payments to HMRC. Base: Random half of sample (2019: 1136; 2020: 1176). Q6paymethdsreceive HMRC has a range of methods to pay individuals and businesses. On a scale of 1-5, where 5 is very satisfied and 1 is very dissatisfied, please rate how satisfied you are with the options HMRC offers to make payments to you. Base: Random half of sample (2019: 1110; 2020: 1156)

**Table 5.9 Satisfaction with payment methods to make payments to HMRC – Agents**

	2020	2019	Sig. change from 2019
	%	%	
<b>Satisfaction with options HMRC offers to make payments to HMRC:</b>			
Satisfied	89	86	No
Neutral	8	10	No
Dissatisfied	4	4	No
Don't know	0	1	No
<b>Satisfaction with options HMRC offers to make payments to you:</b>			
Satisfied	85	84	No
Neutral	11	10	No
Dissatisfied	4	4	No

	<b>2020</b>	<b>2019</b>	<b>Sig. change from 2019</b>
	<b>%</b>	<b>%</b>	
Don't know	0	1	No

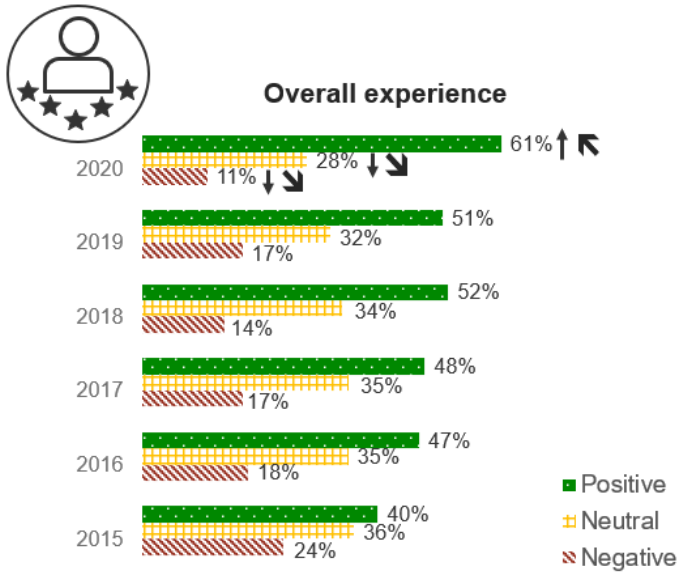
Q6paymethodsmake HMRC has a range of methods that individuals and businesses can use to make payments to HMRC. On a scale of 1-5, where 5 is very satisfied and 1 is very dissatisfied, please rate how satisfied you are with the options HMRC offers you to make payments to HMRC. Base: Random half of sample (2019: 1136; 2020: 1176).

Q6paymethodsreceive HMRC has a range of methods to pay individuals and businesses. On a scale of 1-5, where 5 is very satisfied and 1 is very dissatisfied, please rate how satisfied you are with the options HMRC offers to make payments to you. Base: Random half of sample (2019: 1110; 2020: 1156)

### 5.4.3 Overall rating of customer experience

Agents were asked to reflect on all of their experiences in dealing with HMRC on behalf of their clients over the previous 12 months and give an overall score (Chart 5.10 and Table 5.10). Agents were more likely to report having had a positive overall experience of dealing with HMRC over the previous 12 months compared with 2019 (61%, up from 51% in 2019). They were correspondingly less likely to report a neutral overall experience in 2020 (28%, down from 32% in 2019) or a negative one (11%, down from 17% in 2019).

**Chart 5.10 Rating of overall experience – Agents**



Q3overall Thinking of all your experiences of HMRC over the last 12 months, please rate HMRC on a scale of 1 to 5, where 5 is very good and 1 is very poor. Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2015: 2623; 2017: 2617, 2018: 2337; 2019: 2342; 2020: 2338)

**Table 5.10 Rating of overall experience – Agents**

	2020	2019	2018	2017	2016	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%	%	%	%		
Positive	61	51	52	48	47	40	Yes	Yes
Neutral	28	32	34	35	35	36	Yes	Yes
Negative	11	17	14	17	18	24	Yes	Yes

Q3overall Thinking of all your experiences of HMRC over the last 12 months, please rate HMRC on a scale of 1 to 5, where 5 is very good and 1 is very poor. Base: All respondents who had an interaction with HMRC (excluding Not applicable) (2015: 2623; 2017: 2617, 2018: 2337; 2019: 2342; 2020: 2338)

There were some notable differences for sub-groups:

- smaller Agents were more likely to have a positive overall customer experience.
  - Agents with turnover of up to £60,000 were more likely to have a positive customer experience (72%) compared to Agents with turnover of over £60,000 (45%)
  - Agents with 0 employees were most likely to have a positive customer experience (70%) compared to those with one or more employee (50%). This was also the case in 2019
  - bookkeeping firms were more likely to have a positive customer experience (73%) than accountancy firms and other types of Agents (54% and 62% respectively)

- those that were not members of a professional organisation (69%) were more positive than members (57%)
- Agents who used online channels only were more positive than those who interacted with HMRC both online and by telephone (81%, compared to 54%)

There has been an increase in positive ratings for overall experience since 2019. This was not driven by a particular sub-group. However, similar to Small Businesses, there were more Agents in 2020 than 2019 only using online channels of contact and such Agents tended to be more positive, so this may explain some of this change. It is important to note that those Agents who only used online channels were more likely to have simpler interactions with HMRC, and so the higher positive ratings among these Agents could be connected to that.

Agents were asked about their own use of Government Covid-19 support schemes, however, the customer experience measures relate to Agents' experiences of dealing with HMRC on behalf of their clients. Therefore it is not possible to determine if there is any impact on use of Government Covid-19 support schemes on overall experience.

#### 5.4.4 Primary areas for improvement

By comparing the importance of each customer experience dimension to overall experience with how well HMRC performed on each dimension, it is possible to identify the dimensions which are highest priority to address, in order to improve overall experience for customers. For more information see section 2.3.6.

The primary areas for improvement are presented in Table 5.11:

- the dimensions labelled as “primary areas for improvement” are the primary areas to address in order to have the biggest positive impact on overall customer experience
- the dimensions labelled as “secondary areas for improvement” are the secondary areas to address to improve overall experience
- and the dimensions labelled “areas to maintain” are those where HMRC has performed comparatively well but should ensure that this level of performance is at least maintained

The remainder of this section discusses each of these dimensions in the order of importance as determined by the KDA analysis.

Table 5.11 Primary areas for improvement – Agents

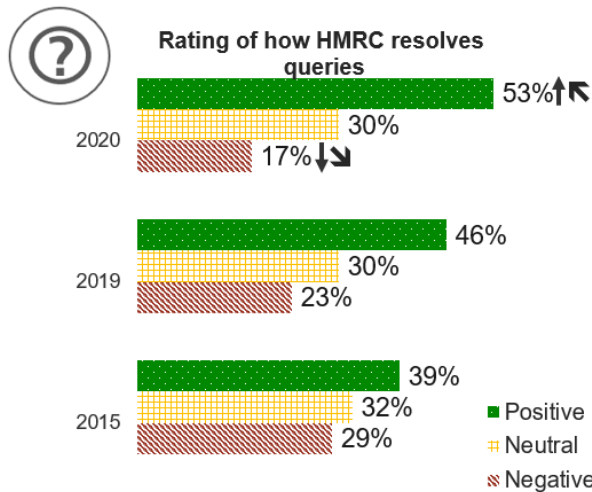
	<b>2020 %</b>	<b>Sig. change from 2019</b>
<b>Priority areas for improvement</b>		
HMRC resolving queries and issues	53	Yes, increase
Time taken to reach an end result	41	Yes, increase
<b>Secondary areas for improvement</b>		
Clarity of the steps needed to be taken	60	Yes, increase
Ease of finding information	54	Yes, increase
HMRC systems prevented mistakes	51	Yes, increase
<b>Areas to maintain</b>		
HMRC staff professionalism	78	Yes, increase
Clarity when everything was completed	67	Yes, increase
HMRC getting tax transactions right	66	Yes, increase
Quality of the information looked for/received	66	Yes, increase

### **Primary areas for improvement**

#### ***Resolving queries***

Positive ratings for HMRC resolving queries or issues have increased since 2019 (53% in 2020, up from 46% in 2019), while negative ratings have decreased to 17% (from 23% in 2019). (Chart 5.12 and Table 5.12).

**Chart 5.12 Rating of how HMRC resolves queries or issues – Agents**



Q3owner Thinking specifically about the outcomes of all of your dealings with HMRC in the last 12 months... On a scale of 1 to 5, where 5 is very good and 1 is very poor, how good or poor were HMRC at resolving any queries or issues?  
 Base: All Respondents (excluding Not Applicable) (2015: 2519; 2019: 2216; 2020: 2187)

**Table 5.12 Rating of how HMRC resolves queries or issues – Agents**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	53	46	39	Yes	Yes
Neutral	30	30	32	No	No
Negative	17	23	29	Yes	Yes

Q3owner Thinking specifically about the outcomes of all of your dealings with HMRC in the last 12 months... On a scale of 1 to 5, where 5 is very good and 1 is very poor, how good or poor were HMRC at resolving any queries or issues?  
 Base: All Respondents (excluding Not Applicable) (2015: 2519; 2019: 2216; 2020: 2187)

Agents who only interacted online only (70%) were more positive than Agents using both online and telephone channels (49%). Agents with turnover of up to £60,000 were more likely to be positive on this measure (63%) than Agents with turnover above £60,000 (40%). Bookkeeping firms (64%) were more likely to give a positive rating than accountancy firms (49%) and other types of Agents (52%).

Agents who gave a positive rating to the Agents dedicated line were more likely to be positive (65%) than those who gave a neutral (37%) or negative rating (17%).

Agents who gave positive rating to the acceptability of time taken to reach an end result were more likely to give a positive rating to this dimension (85%) than those who gave a neutral rating (49%) or negative (18%).

There was an association between positive ratings on resolving queries with a range of other aspects of customer satisfaction. Between 69% and 78% of Agents who gave positive ratings on overall experience, personalisation of services, ease of dealing with tax issues and empathy also



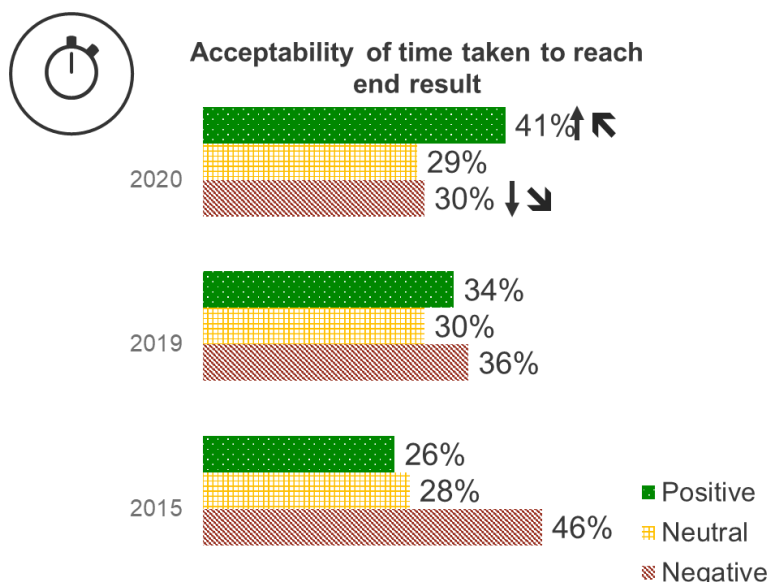
gave a positive rating for resolution of queries. The same trend was also evident for all other aspects of customer satisfaction in this section.

There has been an increase in positive ratings since 2019, which may have been driven by an increase among those with a turnover of up to £10,000 from 58% to 71%. Additionally, this may also in part be explained by the increase in the proportion of Agents interacting online only (which is related to a more positive rating on this dimension) since 2019.

### Acceptability of time taken

In common with 2019, acceptability of time taken to reach an end result was the least positively rated dimension. However, there has been a significant improvement in perceptions since 2019. Positive ratings increased to four in ten (41%) Agents (up from 34% in 2019) while negative ratings decreased to 30% (down from 36% in 2019) (Chart 5.13 and Table 5.13).

**Chart 5.13 Rating of acceptability of time taken – Agents**



Q3time Generally during your dealings with HMRC over the last 12 months, how acceptable was the time taken to reach the end result? Please answer on a scale of 1 to 5, where 5 is very acceptable and 1 is very unacceptable. Base: All respondents (excluding Not applicable) (2015: 2581; 2019: 2286; 2020: 2285)

**Table 5.13 Rating of acceptability of time taken – Agents**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	41	34	26	Yes	Yes
Neutral	29	30	28	No	No
Negative	30	36	46	Yes	Yes

Q3time Generally during your dealings with HMRC over the last 12 months, how acceptable was the time taken to reach the end result? Please answer on a scale of 1 to 5, where 5 is very acceptable and 1 is very unacceptable. Base: All respondents (excluding Not applicable) (2015: 2581; 2019: 2286; 2020: 2285)

Agents that only used online channels were twice as positive on this measure than Agents that used both online and telephone channels (69% compared with 33%). Bookkeeping firms were more positive (55%) than accountancy firms (34%) and other types of firm (44%).

Agents with turnover of up to £60,000 and those with 0 employees were more likely to be positive on this measure (53% and 53% respectively) than Agents with turnover above £60,000 and those with employees (24% and 28% respectively).

Agents who gave a positive rating to the Agents dedicated line were more likely to be positive (47%) than those who gave a neutral (18%) or negative rating (8%).

There was an increase in positive ratings since 2019. As with the previous measure, this may have been driven by a particular increase among Agents with a turnover up to £10,000 where positive ratings rose from 49% in 2019 up to 61% in 2020. Additionally, this may also in part be explained by the increase in the proportion of businesses interacting online only (which is related to a more positive rating on this dimension) since 2019.

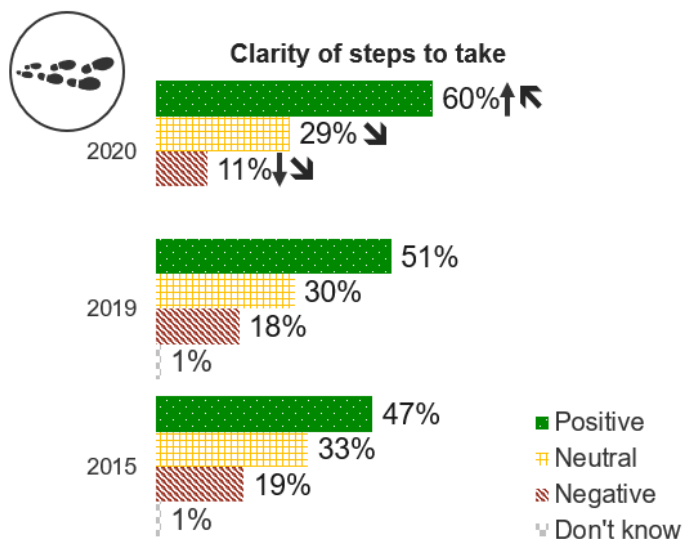
### Secondary areas for improvement

This section looks at the dimensions which were of lesser importance to Agents' overall rating of their customer experience. These are: being clear about the steps Agents needed to take, ease of finding information and HMRC having systems that prevented mistakes.

#### Clarity of steps needed to take

Six in ten Agents (60%) gave a positive rating for HMRC making clear what steps needed to be taken, while one in ten (11%) were negative (Chart 5.14 and Table 5.14). Positive ratings have increased since 2019 (51%) and there was a corresponding decrease in negative ratings as well (18% in 2019).

**Chart 5.14 Rating of clarity of steps needed to take – Agents**



Q3navi\_1 Please tell me how strongly you agree or disagree with the following statement about any of your dealings with HMRC in the last 12 months. "HMRC made clear what steps I needed to take". Base: All respondents (excluding Not applicable) (2015: 2513; 2019: 2266; 2020: 2257).

**Table 5.14 Rating of clarity of steps needed to take – Agents**

	2020 %	2019 %	2015 %	Sig. change from 2019	Sig. change from 2015
Positive	60	51	47	Yes	Yes
Neutral	29	30	33	No	Yes
Negative	11	18	19	Yes	Yes
Don't know	0	1	1	No	No

Q3navi\_1 Please tell me how strongly you agree or disagree with the following statement about any of your dealings with HMRC in the last 12 months. "HMRC made clear what steps I needed to take". Base: All respondents (excluding Not applicable) (2015: 2513; 2019: 2266; 2020: 2257).

Sub-group differences were similar to other measures:

- Agents who interacted through online channels only were more positive than Agents using both online and telephone channels (76% compared with 55%)
- bookkeeping firms were more positive (70%) than accountancy firms (55%) and other types of Agents (62%)
- Agents with a turnover of up to £60,000 (67%) were more positive than those with a turnover over £60,000 (50%)
- Agents who gave a positive rating to the Agents dedicated line were more likely to be positive (66%) than those who gave a neutral (44%) or negative rating (36%)

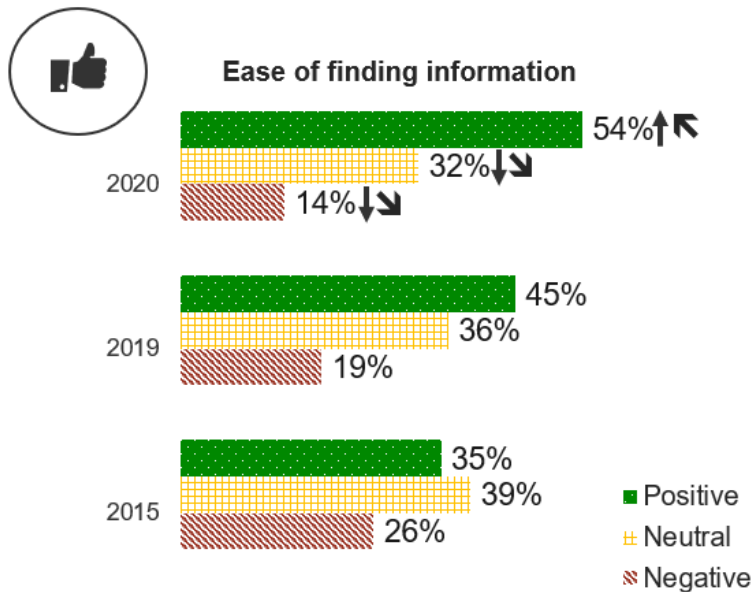
Nearly three quarters of Agents (73%) who thought HMRC made it clear when everything was complete, also gave a positive rating for this measure. This compared with 42% who gave a neutral rating and 25% who gave a negative rating.

There has been an increase in positive ratings since 2019. There were no clear sub-group patterns.

### ***Ease of finding information***

There were improvements in perceptions of ease of finding information since 2019 (Chart 5.15 and Table 5.15). Positive ratings increased to 54% (from 45% in 2019), while neutral ratings decreased to 32% (from 36% in 2019) as did negative ratings (14%, down from 19% in 2019).

**Chart 5.15 Rating of ease of finding information – Agents**



Q3find On a scale of 1 to 5, where 5 is very easy and 1 is very difficult, how easy or difficult was it to find any information you needed on tax issues from HMRC? Base: All respondents (excluding Not applicable) (2015: 2571; 2019: 2300; 2020: 2275)

**Table 5.15 Rating of ease of finding information – Agents**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	54	45	35	Yes	Yes
Neutral	32	36	39	Yes	Yes
Negative	14	19	26	Yes	Yes

Q3find On a scale of 1 to 5, where 5 is very easy and 1 is very difficult, how easy or difficult was it to find any information you needed on tax issues from HMRC? Base: All respondents (excluding Not applicable) (2015: 2571; 2019: 2300; 2020: 2275)

Agents with turnover of up to £60,000 (59%) were more positive on this measure than Agents with a turnover above £60,000 (45%).

Bookkeeping firms were more positive (59%) than accountancy firms (51%). Those who interacted online only (63%) were more positive than those who used telephone and online (50%).

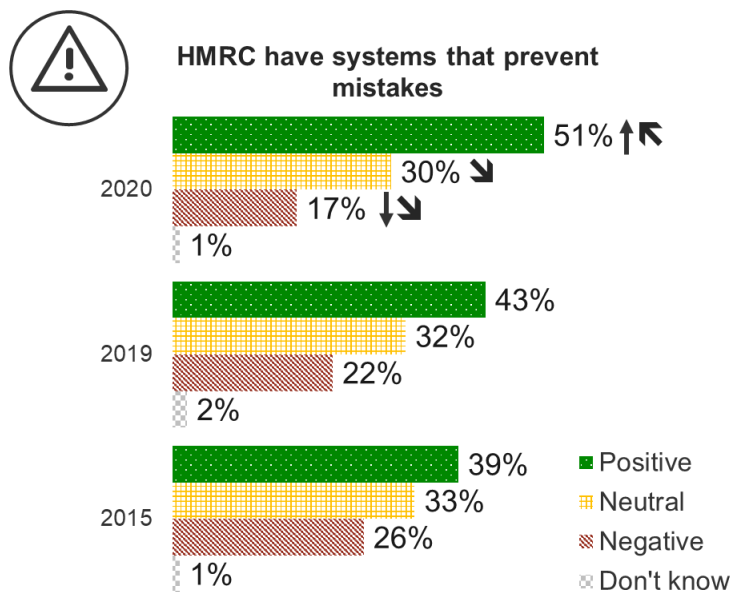
Agents who gave a positive rating to the Agents dedicated line were also more likely to be positive (61%) than those who gave a neutral (43%) or negative rating (29%).

Agents who gave a positive rating to the quality of the information they looked for, were more likely to be positive (73%) than those who gave a neutral (20%) or negative rating (3%).

**Systems prevented mistakes**

Over half (51%) of Agents were positive about HMRC having systems that prevented mistakes and a fifth (17%) were negative (Chart 5.16 and Table 5.16). Positive ratings increased relative to 2019 (up eight percentage points from 43%) and negative ratings decreased (down five percentage points from 22%).

**Chart 5.16 Rating of HMRC systems preventing customers from making mistakes – Agents**



Q3syst On a scale of 1 to 5, where 5 is agree strongly and 1 is disagree strongly, please tell me how strongly you agree or disagree with the following statements about your dealings with HMRC in the last 12 months. "HMRC had systems which were good at preventing customers from making mistakes". Base: All respondents (excluding Not Applicable) (2015: 2489; 2019: 2202; 2020: 2197).

**Table 5.16 Rating of HMRC systems preventing customers from making mistakes – Agents**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	51	43	39	Yes	Yes
Neutral	30	32	33	No	Yes
Negative	17	22	26	Yes	Yes
Don't know	1	2	1	No	No

Q3syst On a scale of 1 to 5, where 5 is agree strongly and 1 is disagree strongly, please tell me how strongly you agree or disagree with the following statements about your dealings with HMRC in the last 12 months. "HMRC had systems which were good at preventing customers from making mistakes". Base: All respondents (excluding Not Applicable) (2015: 2489; 2019: 2202; 2020: 2197).

Consistent with the general trend, bookkeeping firms (61%) were more positive than accountancy firms (46%) and other types of agent (51%). Agents with a turnover up to £60,000 (59%) were more likely to be positive on this measure than Agents with a higher turnover (40%). Those interacting online only (67%) were also more positive than those interacting by telephone and online (46%).

Agents who gave a positive rating to the Agents dedicated line were more likely to be positive (57%) than those who gave a neutral (35%) or negative rating (26%).

There has been an increase in positive ratings since 2019, but this was not driven by a particular sub-group.

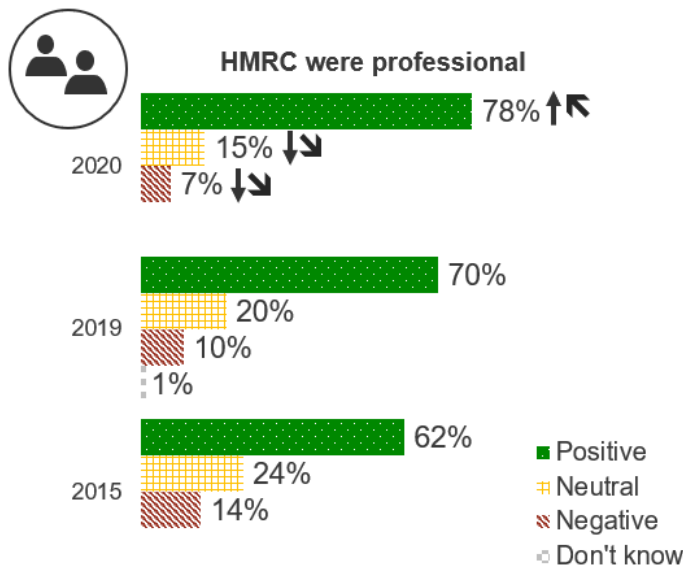
**Areas to maintain**

The dimensions explored in this section were areas where HMRC performed well and should at least maintain performance to ensure a positive customer experience. These were being professional, being clear when everything was completed, getting transactions right and the quality of information looked for / received.

**HMRC were professional**

HMRC being professional was the most positively rated dimension by Agents and ratings have improved since 2019, with nearly eight in ten Agents (78%) being positive (up from 70% in 2019). There has been a corresponding decrease in neutral ratings (down from 20% to 15%) and negative ones (down from 10% to 7%). (Chart 5.17 and Table 5.17).

**Chart 5.17 Rating of how professional HMRC staff were – Agents**



Q3staff On a scale of 1 to 5, where 5 is agree strongly and 1 is disagree strongly, please tell me how strongly you agree or disagree with the following statements about your dealings with HMRC in the last 12 months. "HMRC were professional". Base: All respondents (excluding Not applicable) (2015: 2600; 2019: 2288; 2020: 2291).

**Table 5.17 Rating of how professional HMRC staff were – Agents**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	78	70	62	Yes	Yes
Neutral	15	20	24	Yes	Yes
Negative	7	10	14	Yes	Yes
Don't know	0	1	0	No	No

Q3staff On a scale of 1 to 5, where 5 is agree strongly and 1 is disagree strongly, please tell me how strongly you agree or disagree with the following statements about your dealings with HMRC in the last 12 months. "HMRC were professional". Base: All respondents (excluding Not applicable) (2015: 2600; 2019: 2288; 2020: 2291).

Agents using online only channels were more positive than Agents using both online and telephone channels (86% compared with 76%). Agents with 0 employees were more likely to be positive on this measure (82%) than Agents with employees (74%). Bookkeeping firms were more positive (83%) than accountancy firms (77%) and other types of Agents (76%).

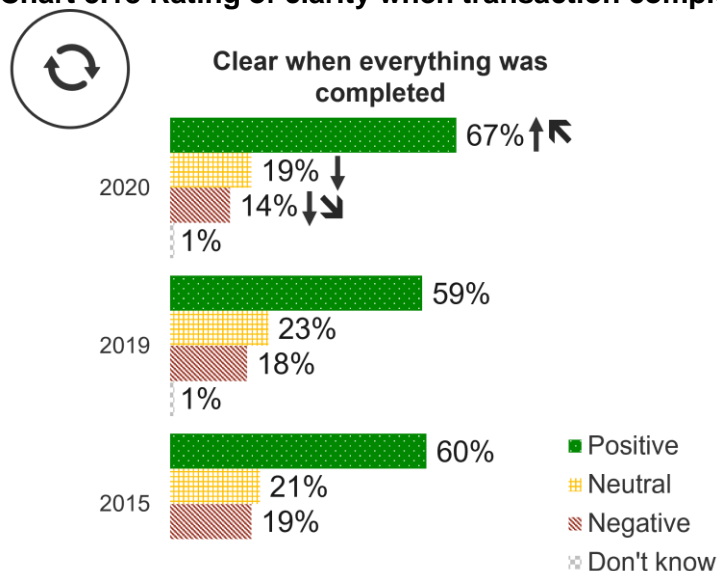
Agents who gave a positive rating of the Agents dedicated line were more likely to be positive (89%) than those who gave a neutral (67%) or negative rating (51%).

There has been an increase in positive ratings since 2019. This may have been driven by an increase among accountancy firms from 65% to 77%. Additionally, this may also in part be explained by the increase in the proportion of businesses interacting online only (which is related to a more positive rating on this dimension) since 2019.

### ***Clear when everything was completed***

Two-thirds of Agents (67%) were positive about HMRC making it clear when everything was completed. One in five Agents (19%) were neutral, while 14% were negative. Positive ratings have increased since 2019 (up from 59%) and there has been a corresponding decrease in neutral ratings (down from 23%) and negative ratings (down from 18%) (Chart 5.18 and Table 5.18).

**Chart 5.18 Rating of clarity when transaction completed - Agents**



Q3navi HMRC made it clear when everything was completed in last 12 months. Base: All respondents (excluding Not applicable) (2015: 2502; 2019: 2244; 2020: 2247)

**Table 5.18 Rating of clarity when transaction completed - Agents**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	67	59	60	Yes	Yes
Neutral	19	23	21	Yes	No
Negative	14	18	19	Yes	Yes
Don't know	1	1	0	No	No

Q3navi HMRC made it clear when everything was completed in last 12 months. Base: All respondents (excluding Not applicable) (2015: 2502; 2019: 2244; 2020: 2247)

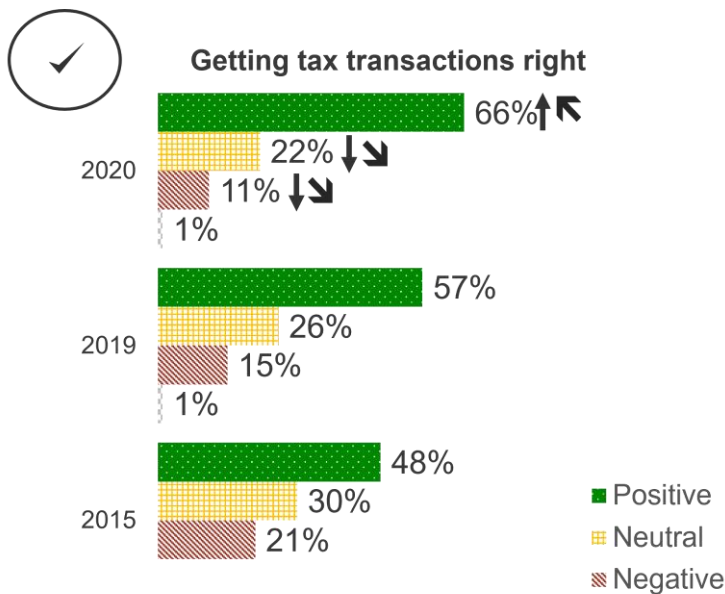
- Agents with turnover of up to £10,000 were more likely to be positive on this measure (80%) than Agents with higher turnover (64%). Bookkeeping firms were more positive (75%) than accountancy firms (63%) and other types of Agents (62%)
- Agents who only used online channels were more positive than those who used online and telephone (81%, compared to 62%)
- Agents who gave a positive rating to the Agents dedicated line were also more likely to be positive (72%) than those who gave a neutral (55%) or negative rating (39%)

There has been an increase in positive ratings of this measure since 2019. This may have been driven by larger Agents with 20+ employees, where positive ratings increased from 48% in 2019 up to 64% in 2020.

**HMRC getting tax transactions right**

Two-thirds (66%) of Agents were positive about HMRC getting tax transactions right, an increase since 2019 (57%). Correspondingly, neutral ratings decreased over this time period (22%, down from 26% in 2019) as did negative ratings (11% in 2020, down from 15% in 2019) (Chart 5.19 and Table 5.19).

**Chart 5.19 Rating of HMRC getting tax transactions right - Agents**



Q3right Thinking about all of your experiences of HMRC over the last 12 months... Overall, on a scale of 1 to 5, where 5 is very good and 1 is very poor, how good or poor were HMRC at getting tax transactions right? Base: All respondents (excluding Not applicable) (2015: 2565; 2019: 2267; 2020: 2248)

**Table 5.19 Rating of HMRC getting tax transactions right - Agents**



	2020 %	2019 %	2015 %	Sig. change from 2019	Sig. change from 2015
Positive	66	57	48	Yes	Yes
Neutral	22	26	30	Yes	Yes
Negative	11	15	21	Yes	Yes
Don't know	1	1	0	No	No

Q3right Thinking about all of your experiences of HMRC over the last 12 months... Overall, on a scale of 1 to 5, where 5 is very good and 1 is very poor, how good or poor were HMRC at getting tax transactions right? Base: All respondents (excluding Not applicable) (2015: 2565; 2019: 2267; 2020: 2248)

Agents that only used online channels (80%) were more positive on this measure than those using both online and telephone channels (62%).

The trends seen for Agent sub-groups throughout the report are evident here too, with bookkeeping firms (76%) and Agents with a turnover of up to £60,000 (74%) being more positive than their counterpart groups (accountancy firms 62% and other types of Agents (63%), and Agents with a turnover above £60,000 (56%).

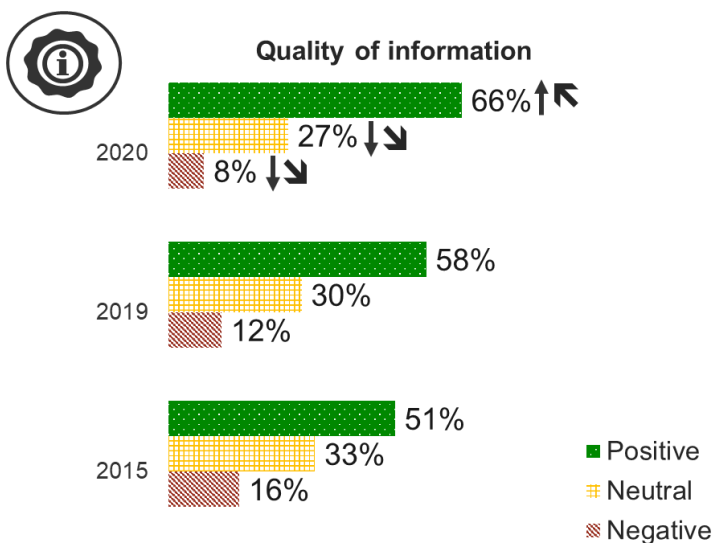
Agents who gave a positive rating to the Agents dedicated line were more likely to be positive (74%) than those who gave a neutral (51%) or negative rating (38%).

There has been an increase in positive ratings since 2019. This may have been driven by businesses with turnover up to £10,000 (70% in 2019; 82% in 2020).

### Quality of information

Two-thirds of Agents (66%) were positive about the quality of information looked for or received in the previous 12 months, an increase of eight percentage points from 2019. There was a decrease in neutral ratings from 30% in 2019 up to 27% to 2020 and similarly, negative ratings decreased from 12% in 2019 to 8% in 2020. (Chart 5.20 and Table 5.20).

**Chart 5.20 Rating of quality of information looked for or received - Agents**



Q3qual Quality of information looked for or received from HMRC in last 12 months Base: All respondents (excluding not applicable) (2015: 2604; 2019: 2319; 2020: 2310)

**Table 5.20 Rating of quality of information looked for or received - Agents**

	2020 %	2019 %	2015 %	Sig. change from 2019	Sig. change from 2015
Positive	66	58	51	Yes	Yes
Neutral	27	30	33	Yes	Yes
Negative	8	12	16	Yes	Yes

Q3qual Quality of information looked for or received from HMRC in last 12 months Base: All respondents (excluding not applicable) (2015: 2604; 2019: 2319; 2020: 2310)

Agents with turnover of up to £60,000 (73%) and those with 0 employees (71%) were more likely to be positive on this measure than Agents with turnover above £60,000 (56%) or those with employees (59%). Bookkeeping firms were more positive (72%) than accountancy firms (63%) and other types of Agents (64%).

Those who only interacted online only were more positive (78%) than those using telephone and online channels (61%).

Positive ratings for this measure related to positive ratings of ease of acting on behalf of clients, overall experience, whether services were tailored, HMRC taking clients' circumstances into account and HMRC helping to resolve unintentional errors.

Agents who gave a positive rating to the Agents dedicated line were more likely to be positive (72%) than those who gave a neutral (54%) or negative rating (37%).

There has been an increase in positive ratings since 2019. This was not driven by any particular sub-groups.

## 5.5 Views on administration of the tax system

Agents were asked about their views on the administration of the tax system. Specifically, whether HMRC treated customers fairly; whether services were personalised to them and their clients; the ease of dealing with tax issues; and perception of online services being joined up. For the first time in 2020, questions were included to explore whether Agents view HMRC as empathetic towards their clients and how well HMRC resolve any errors they make.

### 5.5.1 Ease of dealing with tax issues and fairness

Over half of Agents (55%) gave a positive rating for ease of dealing with tax issues (Chart 5.21 and Table 5.21) over the past 12 months, over a quarter (27%) were neutral and under one in five (17%) gave a negative rating. There has been an increase in positive ratings since 2019 (up from 50%) and a corresponding decrease in neutral ratings (down from 31%).

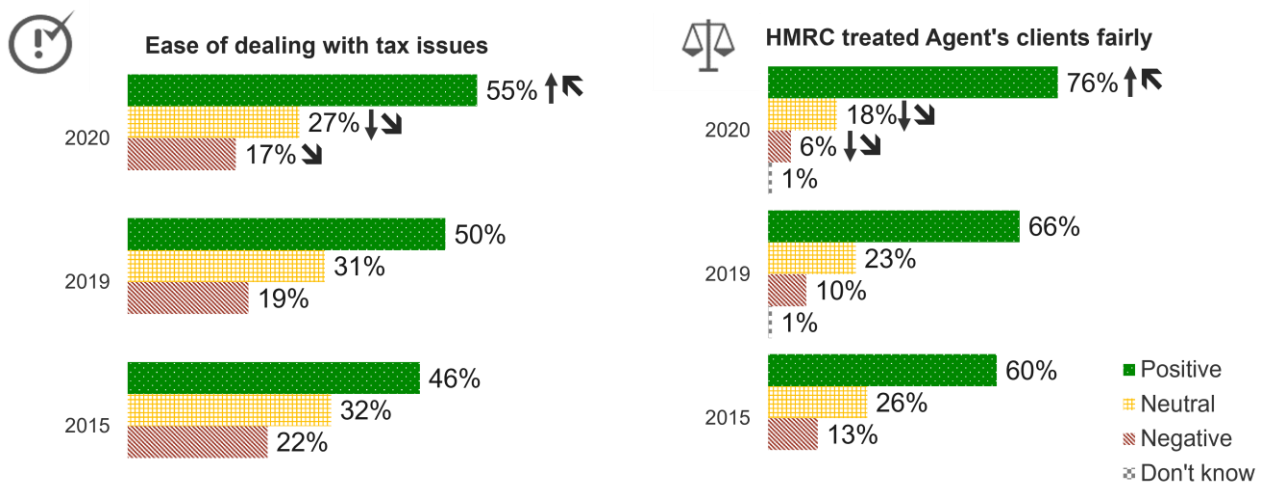
Agents that only used online channels (75%) were more positive than Agents using both online and telephone channels (49%). Agents who were bookkeeping firms were more likely to give a positive rating (64%) compared with accountancy firms (52%) and other types of agent (53%).

Agents with a turnover up to £60,000 (64%) were more likely to give a positive rating than those with a turnover over £60,000 (42%).

Positive ratings for this measure were associated with positive ratings of overall experience, personalisation of services and empathy, with between 68% and 78% being positive. A similar pattern was evident on all other aspects of administration of the tax system discussed in rest of this section (with positive ratings between 57% and 85% across the measures).

The increase in positive ratings since 2019 may in part have been driven by self-employed Agents where positive ratings increased from 53% in 2019 up to 60% in 2020.

**Chart 5.21 Ease of dealing with HMRC and fairness – Agents**



Q4ease Over the last 12 months how easy or difficult have you found it to deal with tax issues on behalf of your clients? Please answer on a scale of 1 to 5, where 5 is very easy, and 1 is very difficult. Base: All respondents (excluding Not applicable) (2015: 2534; 2019: 2239; 2020: 2190) Q4fair Please tell me how strongly you agree or disagree with the following statement. "HMRC treated my clients fairly". Base: All respondents (excluding Not applicable) (2015: 2516; 2019, 2224; 2020: 2179).

**Table 5.21 Ease of dealing with HMRC and fairness – Agents**

	2020 %	2019 %	2015 %	Sig. change from 2019	Sig. change from 2015
<b>Ease of dealing with tax issues</b>					
Positive	55	50	46	Yes	Yes
Neutral	27	31	32	Yes	Yes
Negative	17	19	22	No	Yes
<b>HMRC treated Agent's clients fairly:</b>					
Positive	76	66	60	Yes	Yes
Neutral	18	23	26	Yes	Yes
Negative	6	10	13	Yes	Yes
Don't know	1	1	0	No	No

Q4ease Over the last 12 months how easy or difficult have you found it to deal with tax issues on behalf of your clients? Please answer on a scale of 1 to 5, where 5 is very easy, and 1 is very difficult. Base: All respondents (excluding Not applicable) (2015: 2534; 2019: 2239; 2020: 2190) Q4fair Please tell me how strongly you agree or disagree with the following statement. "HMRC treated my clients fairly". Base: All respondents (excluding Not applicable) (2015: 2516; 2019, 2224; 2020: 2179).

Three-quarters (76%) of Agents agreed that HMRC treated their clients fairly, an increase from 66% in 2019 (Chart 5.21 and Table 5.21). There has been a corresponding decrease since 2019 in neutral ratings (from 23% to 18%) as well as negative ratings (from 10% to 6%).

As with 'ease of dealing with tax issues', Agents with a turnover of up to £60,000 were more likely to give a positive rating for fairness (81%) than those with a turnover above £60,000 (68%). Agents who had contact online only were also more likely to be positive (85%) compared to those who had contact online and by telephone (73%).

Agents who had not applied to use a Government COVID-19 scheme were significantly more likely to agree that HMRC treated their clients fairly than those who had (79% compared with 74%). However as the figure amongst those who had applied is still higher than the general figure from last year (66%), this disparity could be explained by the so called 'halo effect'.

Businesses that gave a positive rating for their overall experience were more likely to give a positive rating (90%) for fairness than those that gave a neutral rating (63%) or negative (32%).

Agents who were positive about their clients' circumstances being taken into account were more likely to give a positive rating for fairness (91%) compared to those who have a neutral rating (63%) or negative rating (32%). A similar pattern can be seen for efficiency, effectiveness and confidence.

Although as in 2019, positive ratings were higher among those with 0 employees (82%) compared with those with employees (69%), the increase in positive ratings may have been driven by Agents with 10+ employees, where it increased from 58% in 2019 up to 70% in 2020.

### 5.5.2 Personalisation of services and the extent to which online services are joined up

Positive ratings for services being personalised have increased since 2019 (50%, up from 41% in 2019). There has been a decrease since 2019 in neutral ratings (down from 36% to 33%) and negative ratings (down from 23% to 17%) (Chart 5.22 and Table 5.22a).

Agents who had dealings with HMRC online were asked about the extent to which they agreed or disagreed that information and services provided online by HMRC were joined up. This measure was introduced in 2018. (Chart 5.22 and Table 5.22b.) Overall, half (49%) gave a positive rating on this dimension, three in ten (28%) a neutral rating and one in five (21%) a negative rating. Since 2019, there has been an increase in positive ratings (up from 41%) and a corresponding decrease in negative ratings (down from 27%).

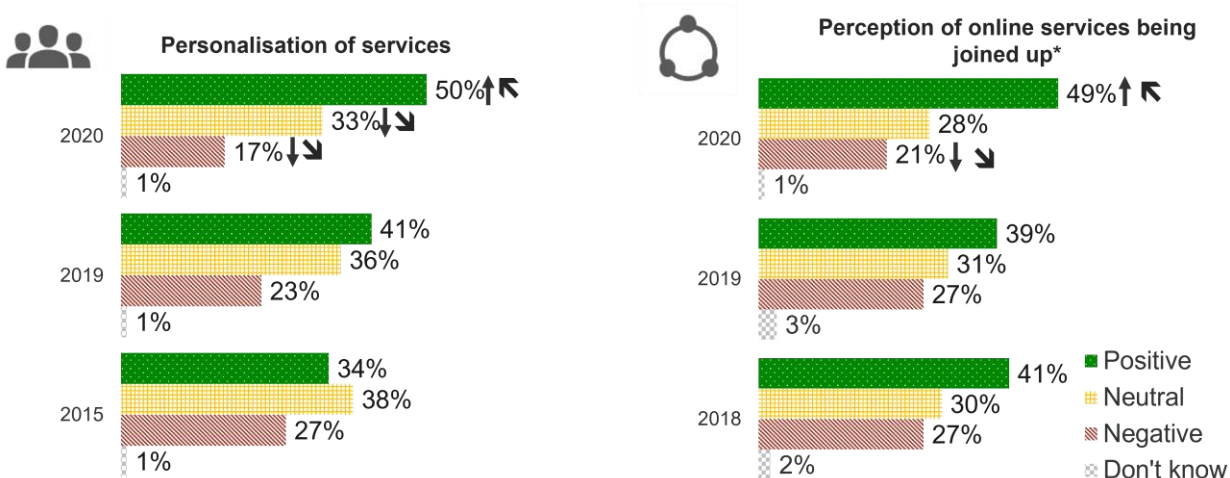
Agents who only interacted online only were more positive about personalisation (64%) and online services being joined up (66%) than those who used telephone and online (45% and 44% respectively).

Bookkeeping firms were more positive about personalisation (62%) and online services being joined up (59%) than accountancy firms (45% and 44% respectively). For online services being joined up, other types of agent (53%) also gave a higher rating than accountancy firms, while for personalisation, ratings for other types of agents were at a similar level to accountancy firms (42%).

Smaller firms were more positive than larger ones regarding personalisation of services and online services being joined up. Nearly six in ten Agents with 0 employees gave a positive rating for personalisation (58%) and online services being joined up (56%), compared with around four in ten Agents with employees (42% for both).

For personalisation, the increase in positive ratings since 2019 the baseline was in part driven by those who had contact online only, with 64% giving a positive rating in 2020 compared to 52% in 2019. For online services being joined up, the increase in positive ratings since 2019 may have been driven by Agents with 0 employees, where positive ratings rose from 44% to 56%.

**Chart 5.22 Personalisation and perceptions of online services being joined up – Agents**



Q4person How strongly do you agree or disagree that over the last 12 months the information and services provided by HMRC have been tailored to you and your clients? Base: All respondents (excluding Not applicable) (2015: 2555; 2019:

2237; 2020: 2210). Q4integrate Thinking about all of the information you have viewed and services you have used on HMRC webpages over the last 12 months, how strongly do you agree or disagree that the information and services provided online by HMRC are joined up? Base: All respondents who had dealings with HMRC online (excluding Not applicable) (2018: 2156; 2019: 2144; 2020: 2144) \*This question was not asked in 2015, 2016 or 2017.

**Table 5.22a Personalisation of online services – Agents**

	<b>2020</b> %	<b>2019</b> %	<b>2015</b> %	<b>Sig. change from 2019</b>	<b>Sig. change from 2015</b>
<b>Personalisation of services</b>					
Positive	50	41	34	Yes	Yes
Neutral	33	36	38	Yes	Yes
Negative	17	23	27	Yes	Yes
Don't know	1	1	1	No	No

Q4person How strongly do you agree or disagree that over the last 12 months the information and services provided by HMRC have been tailored to you and your clients? Base: All respondents (excluding Not applicable) (2015: 2555; 2019: 2237; 2020: 2210).

**Table 5.22b Perception of online services being joined up – Agents**

	2020 %	2019 %	2018 %	Sig. change from 2019	Sig. change from 2018
<b>Perception of online services being joined up*</b>					
Positive	49	39	41	Yes	Yes
Neutral	28	31	30	No	No
Negative	21	27	27	Yes	Yes
Don't know	1	3	2	No	No

Q4integrate Thinking about all of the information you have viewed and services you have used on HMRC webpages over the last 12 months, how strongly do you agree or disagree that the information and services provided online by HMRC are joined up? Base: All respondents who had dealings with HMRC online (excluding Not applicable) (2018: 2156; 2019: 2144; 2020: 2144) \*This question was not asked in 2015, 2016 or 2017.

### 5.5.3 Empathy

For the first time in 2020, questions were included to explore whether customers view HMRC as empathetic. They have been created in line with the new charter which defines the service and standards of behaviour that customers can expect from HMRC. Agents were therefore asked whether:

- HMRC took their clients' circumstances into account
- HMRC would help Agents resolve any issues if they unintentionally made an error calculating their client's taxes

Over half (57%) of Agents gave a positive rating for HMRC taking their clients' circumstances into account. One-quarter (26%) were neutral and 16% were negative (Chart 5.23 and Table 5. 23).

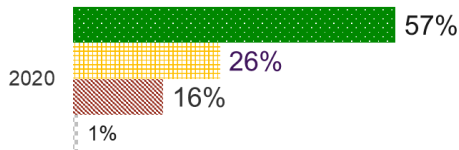
Agents that gave a positive rating for their overall experience were more likely to give a positive rating for HMRC taking their clients' circumstances into account (75%) than those that gave a neutral rating (37%) or negative (17%).

Agents that were confident in how HMRC do their job were more likely to give a positive rating (74%) than those that were neutral or negative (35%). A similar pattern can be seen for ease (72% compared with 40%) and fairness (71% compared with 19%).

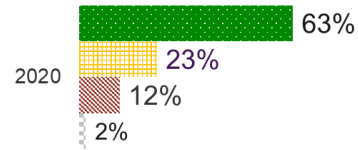
### Chart 5.23 Perception that HMRC is empathetic – Agents



**HMRC took my client's personal circumstances into account**



**HMRC would help resolve any issues if unintentionally made an error calculating my client's taxes**



- Positive
- ▨ Neutral
- ▩ Negative
- ◇ Don't know

Q4empath. How strongly do you agree or disagree with the following statement about your dealings with HMRC in the last 12 months? "HMRC took my clients' circumstances into account". Base: All respondents (2020: 1907) Q4error. How strongly do you agree or disagree that HMRC would help you resolve any issues if you unintentionally made an error in calculating your client's taxes? Base: All respondents. (Agents: 2020: 2007)

**Table 5.23 Perception that HMRC is empathetic – Agents**

	<b>2020</b>
	<b>%</b>
<b>HMRC took my client's personal circumstances into account:</b>	
Positive	57
Neutral	26
Negative	16
Don't know	1
<b>HMRC would help resolve any issues if unintentionally made an error calculating my client's taxes:</b>	
Positive	63
Neutral	23
Negative	12
Don't know	2

Q4empath. How strongly do you agree or disagree with the following statement about your dealings with HMRC in the last 12 months? "HMRC took my clients' circumstances into account". Base: All respondents (2020: 1907) Q4error. How strongly do you agree or disagree that HMRC would help you resolve any issues if you unintentionally made an error in calculating your client's taxes? Base: All respondents. (Agents: 2020: 2007)

Over half (63%) agreed that HMRC would help to resolve any issues if they unintentionally made an error calculating their client's taxes. One in five were neutral (23%) and 12% gave a negative rating.



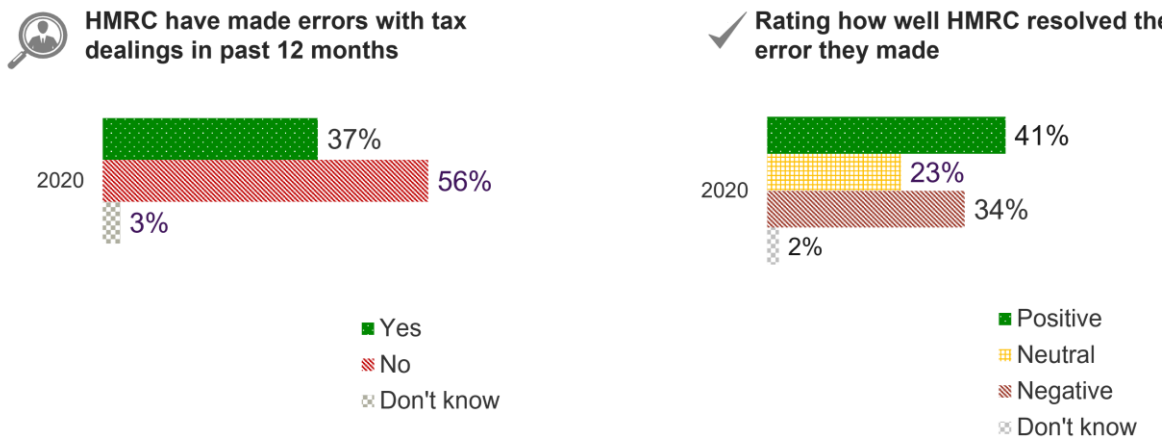
Agents that gave a positive rating of their experience with HMRC were more likely to say that HMRC would help resolve unintentional errors (78%) compared to Agents that gave a neutral rating (46%) or a negative rating (25%).

### 5.5.4 Accountability

Again for the first time in 2020, two new questions were included to explore the extent to which HMRC is viewed as accountable. Agents were asked whether HMRC had made an error with their clients' tax dealings in the last 12 months. If so, they were asked to rate how well HMRC resolved the error they made.

Four in ten (40%) Agents reported that HMRC had made an error in their clients' tax dealings. This is considerably higher than for Small Businesses and Individuals, reflecting the increased level of interaction Agents have with HMRC (Chart 5.24 and Table 5.24).

**Chart 5.24 Perception that HMRC is accountable – Agents**



Q4account. Over the last 12 months, have HMRC made any errors with your tax dealings? Base: All respondents. (2020: 2351) Q4resolve. How would you rate HMRC at resolving the error(s) they made? Base: Respondents who said HMRC made any errors with their / their clients' tax dealings (Small Business: 2020: 242; Agents: 2020: 962; Individuals: 2020: 254)

**Table 5.24 Perception that HMRC is accountable – Agents**

	<b>2020</b>
	<b>%</b>
<b>HMRC have made errors with tax dealings in past 12 months:</b>	
Yes	37
No	56
Don't know	3
<b>Rating how well HMRC resolved the error they made</b>	
Positive	41
Neutral	23
Negative	34
Don't know	2

Q4account. Over the last 12 months, have HMRC made any errors with your tax dealings? Base: All respondents. (2020: 2351) Q4resolve. How would you rate HMRC at resolving the error(s) they made? Base: Respondents who said HMRC made any errors with their / their clients' tax dealings (Small Business: 2020: 242; Agents: 2020: 962; Individuals: 2020: 254)

Larger firms were more likely to report that HMRC had made errors than smaller ones. Nearly six in ten Agents with 50+ clients (59%) and with a turnover above £60,000 (58%) said HMRC had made errors, compared with around a quarter of those with under 50 clients (24%) and those with a turnover up to £60,000 (26%). Accountancy firms (50%) and other types of agent (36%) were more likely to say HMRC had made errors than bookkeeping firms (22%)

Agents who interacted by telephone and online (49%) were more likely to say HMRC had made errors than those who interacted online only (14%). Reducing the amount of errors made by HMRC may reduce the amount of customers who will be calling and using the helplines.

Agents that gave a negative rating of their overall experience with HMRC were more likely to say that HMRC had made errors (76%) compared to Agents that gave a neutral rating (52%) or a positive rating (27%).

Agents that gave a negative rating to HMRC ensuring all customers pay and receive correct amount of tax were more likely to say HMRC had made errors (61%) than those that gave a neutral (47%) or a positive rating (30%). A similar pattern can be seen with other reputation measures.

Agents who reported that HMRC had made errors were asked how they would rate HMRC for resolving the error they made. Four in ten Agents (41%) gave a positive rating, while a quarter (23%) were neutral and a third gave a negative rating (34%) (Chart 5.24 and Table 5.24.).

There was an association between positive ratings on this measure and positive overall customer experience (64% compared with 31% who were neutral and 13% who were negative).

## 5.6 Perceptions of HMRC's Reputation

This section examines Agents' broader views of HMRC as an organisation. They were asked to rate HMRC on the following statements and questions:

- efficient: HMRC is an efficient organisation that does not waste money
- effective: HMRC ensures all its customers pay and receive the correct amount of money in taxes and benefits
- fair: HMRC applies penalties and sanctions equally for all its customers
- protection of personal data: HMRC ensures that customers' data and personal information is treated confidentially
- overall confidence: How confident are you in the way HMRC are doing their job?
- favourability: How favourable or unfavourable is your overall opinion of HMRC taking into account everything you think is important?
- advocacy: Whether would speak favourably or critically about HMRC to other people or organisations.

### 5.6.1 Efficiency, effectiveness and fairness

Positive ratings of HMRC's efficiency have increased since 2019 (27% in 2020, up from 22% in 2019). There was a decrease in negative ratings for this measure, with 34% of Agents giving a negative rating in 2020, down from 39% in 2019.

Agents who had contact online only were more likely to give a positive rating (34%) compared with those who had contact online and by telephone (25%).

Agents with 0 employees were more likely to give a positive rating (32%) compared with Agents with employees (22%). Likewise Agents with a lower turnover were more likely to provide a positive rating than those with a higher turnover (35% of those with a turnover up to £10,000 versus 15% of those with a turnover over £250,000).

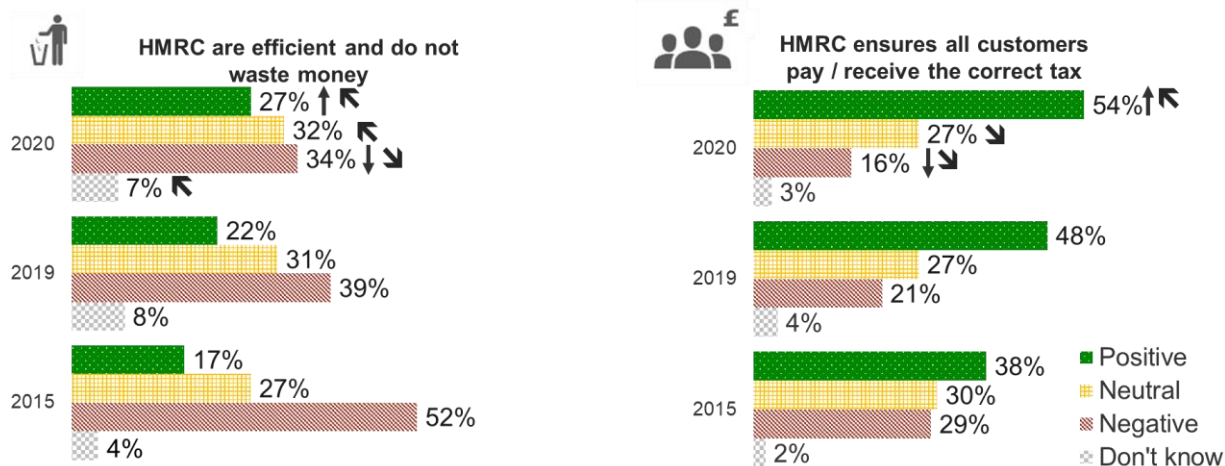
Those who were not a member of a professional organisation (34%) were more likely to give a positive rating than those who were (24%). The increase in positive ratings since 2019 may have been driven by non-members, where it rose from 25% to 34%. It may also have been driven by smaller Agents with turnover up to £10,000 (35% in 2020 compared with 28% in 2019).

Positive ratings for efficiency were associated with positive ratings for overall experience and other service measures. Agents who gave a positive rating for overall experience were more likely to be positive (40%) compared with those who gave a neutral (10%) or negative rating (3%). Similarly, those who gave a positive rating of ease of acting on behalf of clients were more likely to be positive (38%) compared with those who gave a neutral (18%) or negative rating (6%). Agents who

gave a positive rating for tailoring of services were more positive (45%) compared with those who gave a neutral (14%) or negative rating (4%).

There was also an association between positive ratings for efficiency and other reputation measures. Agents that gave a positive rating to HMRC applying penalties and sanctions equally for customers were more likely to give a positive rating (43%) than those who gave a neutral (15%) or a negative rating (7%). A similar pattern can be seen for effectiveness (43% compared with 8% that were neutral or negative), confidence (44% compared with 4% that were neutral or negative) and empathy (41% compared with 12% that were neutral or negative).

**Chart 5.25 Perceptions of HMRC’s efficiency and effectiveness – Agents**



Q5rep To what extent do you agree or disagree with the following statements? Please answer on a scale of 1 to 5, where 5 is agree strongly, and 1 is disagree strongly. “HMRC is an efficient organisation that does not waste money” / “HMRC ensures all of its customers pay or receive the correct amount of tax” Base: All respondents (2015: 2630; 2019: 2349; 2020: 2351).

**Table 5.25 Perceptions of HMRC’s efficiency and effectiveness – Agents**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
<b>HMRC are efficient and do not waste money:</b>					
Positive	27	22	17	Yes	Yes
Neutral	32	31	27	No	Yes
Negative	34	39	52	Yes	Yes
Don't know	7	8	4	No	Yes
<b>HMRC ensures all customers pay/ receive the correct tax:</b>					
Positive	54	48	38	Yes	Yes
Neutral	27	27	30	No	Yes

	2020 %	2019 %	2015 %	Sig. change from 2019	Sig. change from 2015
Negative	16	21	29	Yes	Yes
Don't know	3	4	2	No	No

Q5rep To what extent do you agree or disagree with the following statements? Please answer on a scale of 1 to 5, where 5 is agree strongly, and 1 is disagree strongly. "HMRC is an efficient organisation that does not waste money" / "HMRC ensures all of its customers pay or receive the correct amount of tax" Base: All respondents (2015: 2630; 2019: 2349; 2020: 2351).

There was an increase in positive ratings for effectiveness (ensuring all customers pay / receive the correct tax) since 2019 (54% in 2020, up from 48% in 2019). Negative ratings for effectiveness decreased, from 21% in 2019 to 16% in 2020.

Agents who had contact online only were more likely to give a positive rating (59%) compared to those who had contact online and by telephone (52%).

The increase in positive ratings since 2019 was particularly evident amongst Agents with turnover above £250,000 (36% to 47%) and those with 10-19 employees (35% to 45%).

Agents who gave a positive rating for the related measure, HMRC getting tax transactions right, were more likely to give a positive rating (65%) compared to those who have a neutral rating (39%) or a negative rating (21%). The same pattern was evident for overall customer experience, ease of dealing with taxes and HMRC taking clients' circumstances into account.

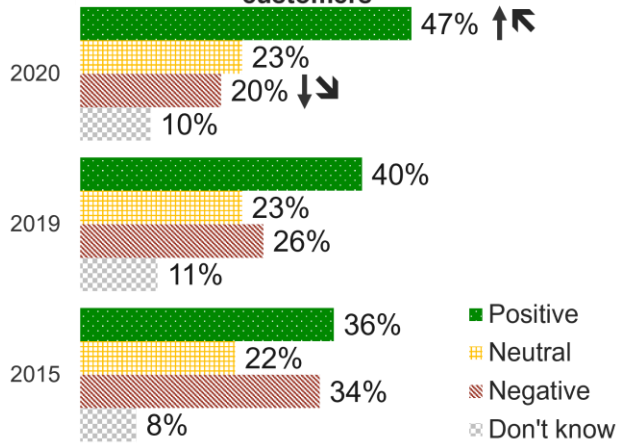
There was a correlation between effectiveness and other perception measures. For example, Agents who gave a positive rating for HMRC applying penalties and sanctions equally were more likely to give a positive rating (74%) compared to those who gave a neutral rating (41%) or a negative rating (24%). Agents who gave a positive rating for HMRC being efficient were more likely to give a positive rating (86%) compared to those who gave a neutral (56%) or a negative rating (25%). A similar pattern can be seen for confidence.

Positive ratings for HMRC's fairness (applying penalties and sanctions equally for all of its customers) have increased from 40% in 2019 up to 47% in 2020 and there has been a corresponding decrease in negative ratings from 26% in 2019 up to 20% in 2020 (Chart 5.26 and Table 5.26).

#### **Chart 5.26 Perceptions of HMRC fairness – Agents**



### HMRC applies penalties and sanctions equally for all of its customers



Q5rep To what extent do you agree or disagree with the following statements? Please answer on a scale of 1 to 5, where 5 is agree strongly, and 1 is disagree strongly. "HMRC applies penalties and sanctions equally for all of its customers"  
Base: All respondents (2015: 2630; 2019: 2349. 2020: 2351)

**Table 5.26 Perceptions of HMRC fairness – Agents**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	47	40	36	Yes	Yes
Neutral	23	23	22	No	No
Negative	20	26	34	Yes	Yes
Don't know	10	11	8	No	No

Q5rep To what extent do you agree or disagree with the following statements? Please answer on a scale of 1 to 5, where 5 is agree strongly, and 1 is disagree strongly. "HMRC applies penalties and sanctions equally for all of its customers"  
Base: All respondents (2015: 2630; 2019: 2349. 2020: 2351)

There was no difference in positive ratings by turnover, but negative ratings amongst Agents with a turnover of over £60,000 (27%) were significantly higher than those whose turnover was up to £60,000 (15%). Positive ratings amongst Agents with 1-9 employees continued to rise from 43% in 2019 and 33% in 2015, to 48% in 2020, in part driving the increase in positive ratings overall.

Agents who gave a positive rating for measures of empathy were more likely to be positive about fairness. Agents who were positive about HMRC taking their clients' circumstances into account were more likely to be positive about fairness of HMRC (62%) than those who gave a neutral (35%) or a negative rating (27%). Similarly, Agents who were positive that HMRC would help resolve unintentional errors were more likely to be positive on fairness (59%) than those that gave a neutral (32%) or a negative rating (27%).

A similar pattern can be seen with efficiency (75% compared with 37% that were neutral or negative), effectiveness (66% compared with 27% that were neutral or negative) and confidence ratings (61% compared with 29% that were neutral or negative), as well as overall customer experience (57% compared with 33% that were neutral or negative) and ease of dealing with tax issues (58% compared with 36% that were neutral or negative).

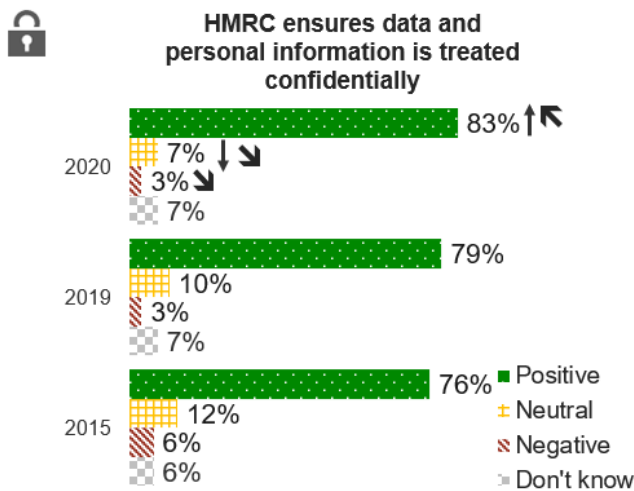
### 5.6.2 Protection of personal information

Protection of personal information remained the highest positive score among Agents in this survey. Over eight in ten Agents (83%) were positive about HMRC treating customers' data and personal information confidentially, up from 79% in 2019 (Chart 5.27 and Table 5.27). Less than one in ten customers gave a neutral rating (7%, down from 10% in 2019) and only 3% gave a negative rating.

Members of a professional organisation were more likely to give a positive rating (84%) than those who were not (80%).

There was no difference in ratings by channel usage, but those who only interacted online may have driven the increase in positive ratings since 2019 (up from 75% in 2019 up to 82% in 2020).

**Chart 5.27 HMRC ensures data and personal information is treated confidentially – Agents**



Q5data On a scale of 1 to 5, where 5 is agree strongly and 1 is disagree strongly, please tell me how strongly you agree or disagree with the following statement: “HMRC ensures that customers’ data and personal data is treated confidentially” Base: All respondents (2015: 2630; 2019: 2349; 2020: 2351)

**Table 5.27 HMRC ensures data and personal information is treated confidentially – Agents**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	83	79	76	Yes	Yes
Neutral	7	10	12	Yes	Yes
Negative	3	3	6	No	Yes
Don't know	7	7	6	No	No

Q5data On a scale of 1 to 5, where 5 is agree strongly and 1 is disagree strongly, please tell me how strongly you agree or disagree with the following statement: “HMRC ensures that customers’ data and personal data is treated confidentially” Base: All respondents (2015: 2630; 2019: 2349; 2020: 2351)

### 5.6.3 Overall confidence in HMRC

Nearly six in ten Agents (57%) were confident in the way that HMRC does its job, a substantial increase since 2019 (45%). The proportion of Agents that were not confident decreased from a fifth (20%) in 2019 down to 13% in 2020 and proportion who were neutral also decreased from 33% to 29%. (Chart 5.28 and Table 5.28).

There was an association between confidence in HMRC and overall experience – those who gave a positive rating of their overall experience were much more likely to have confidence in HMRC (79%) compared with those who gave a neutral rating for overall experience (29%) and a negative rating (8%). Levels of confidence were also high among Agents that regarded HMRC as an efficient (93%), effective (79%) or fair (74%) organisation. This was also the case for measures of

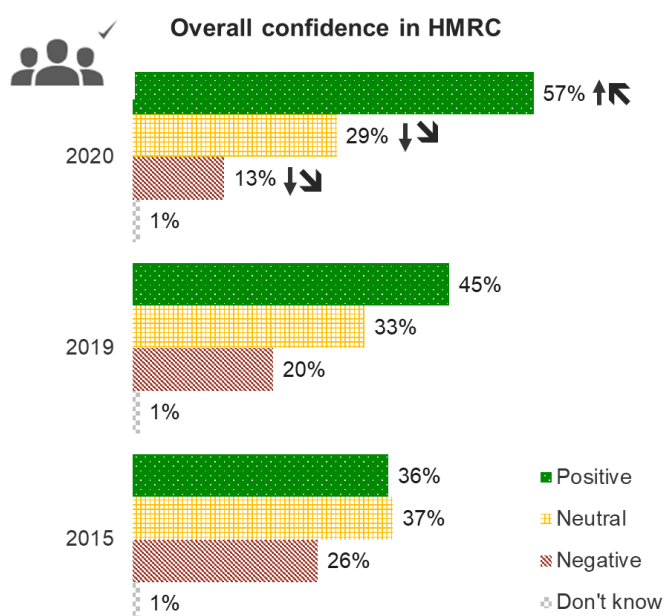


empathy, with 73% of those who felt HMRC took their clients' circumstances into account reporting confidence in HMRC along with 72% of those who thought HMRC would help resolve unintentional errors also reporting confidence.

As with the service measures discussed earlier, smaller Agents were more confident than larger ones. Agents with 0 employees (63%) and those with a turnover up to £60,000 (65%) were more confident compared with Agents with employees (50%) and those with a turnover above £60,000 (45%). Those interacting online only (70%) were more confident than those using telephone and online (53%). Bookkeeping firms reported having more confidence (64%) than accountancy firms (54%) or other types of agent (54%).

The increase in confidence since 2019 may have been driven by Agents with a turnover above £250,000, where there was an increase from 30% to 44%.

**Chart 5.28 Confidence in HMRC – Agents**



Q5conf How confident are you in the way HMRC are doing their job? Please rate HMRC on a scale of 1 to 5 where 5 is very confident and 1 is not at all confident. Base: All respondents (2015: 2630; 2019: 2349, 2020: 2351).

**Table 5.28 Confidence in HMRC – Agents**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Positive	57	45	36	Yes	Yes
Neutral	29	33	37	Yes	Yes
Negative	13	20	26	Yes	Yes
Don't know	1	1	1	No	No

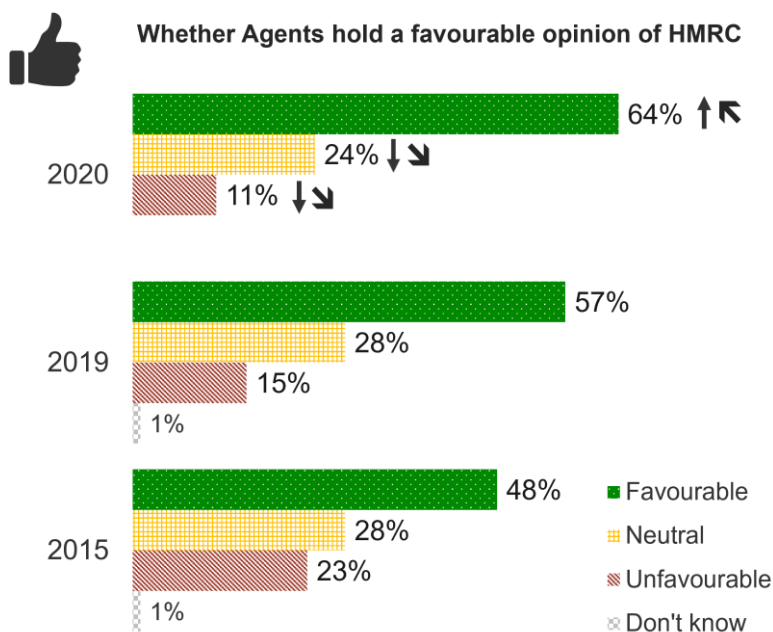
Q5conf How confident are you in the way HMRC are doing their job? Please rate HMRC on a scale of 1 to 5 where 5 is very confident and 1 is not at all confident. Base: All respondents (2015: 2630; 2019: 2349, 2020: 2351).

### 5.6.4 Favourability and advocacy

Agents were asked if they had a mainly favourable or unfavourable opinion of HMRC and whether they would speak well about HMRC to other people or organisations (Chart 5.29 and Table 5.29, Chart 5.30 and Table 5.30).

Over six in ten (64%) Agents had a favourable opinion of HMRC, an increase from 2019 (57%). The proportion of Agents having an unfavourable opinion of HMRC decreased to 11% (down from 15% in 2015).

**Chart 5.29 Favourability towards HMRC – Agents**



Q5favor And how favourable or unfavourable is your overall opinion of HMRC taking into account everything you think is important? Base: All respondents (2015: 2630; 2019\*: 1163; 2020\*: 1182). \*In 2019 and 2020, these questions were asked to a random half of all respondents who were asked Q5favor and Q5advo.

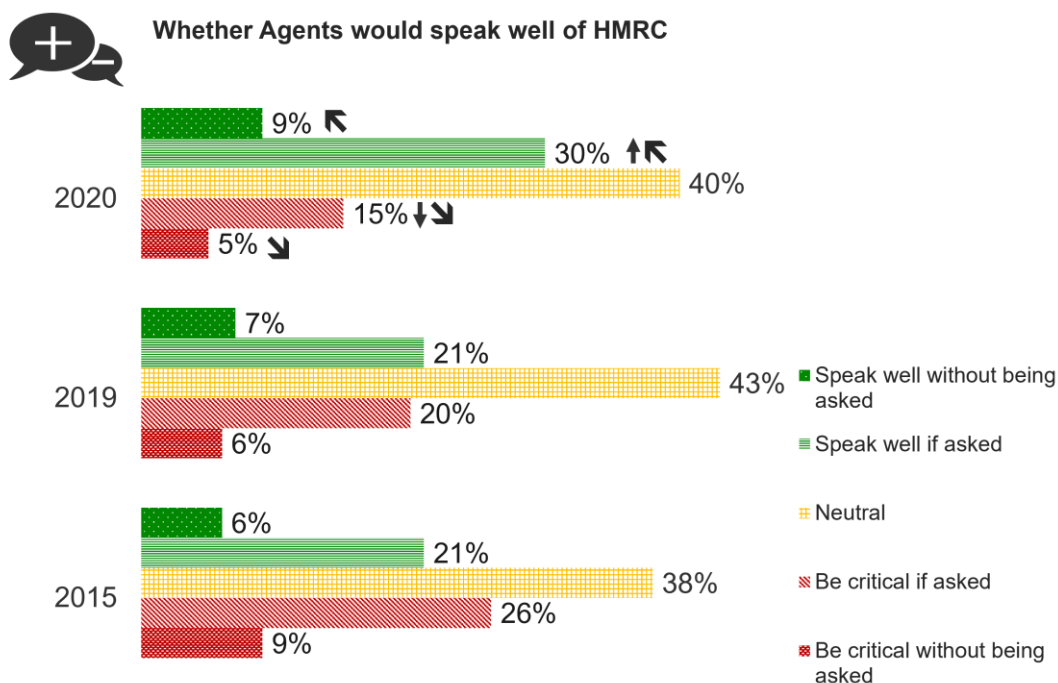
**Table 5.29 Favourability towards HMRC – Agents**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Favourable	64	57	48	Yes	Yes
Neutral	24	28	28	Yes	Yes
Unfavourable	11	15	23	Yes	Yes
Don't know	0	1	1	No	No

Q5favor And how favourable or unfavourable is your overall opinion of HMRC taking into account everything you think is important? Base: All respondents (2015: 2630; 2019\*: 1163; 2020\*: 1182). \*In 2019 and 2020, these questions were asked to a random half of all respondents who were asked Q5favor and Q5advo.

Levels of advocacy remain lower than favourability. Two fifths (39%) would speak favourably about HMRC to others, while a fifth (20%) would be critical. Levels of advocacy have increased relative to 2019, up eleven percentage points from 28% and there has been a corresponding decrease in the proportion of Agents saying they were critical of HMRC (27% in 2019 down to 20% in 2020).

**Chart 5.30 Whether would speak well of HMRC – Agents**



Q5advo Which of these phrases best describes the way you would speak about HMRC to other people or organisations?  
 Base: All respondents (2015: 2630; 2019\*: 1163; 2020\*: 1182). \*In 2018, 2019 and 2020, these questions were asked to a random half of all respondents who were asked Q5favor and Q5advo

**Table 5.30 Whether would speak well of HMRC – Agents**

	2020	2019	2015	Sig. change from 2019	Sig. change from 2015
	%	%	%		
Speak well without being asked	9	7	6	No	Yes
Speak well if asked	30	21	21	Yes	Yes
Neutral	40	43	38	No	No
Be critical if asked	15	20	26	Yes	Yes
Be critical without being asked	5	6	9	No	Yes

Q5advo Which of these phrases best describes the way you would speak about HMRC to other people or organisations?  
 Base: All respondents (2015: 2630; 2019\*: 1163; 2020\*: 1182). \*In 2018, 2019 and 2020, these questions were asked to a random half of all respondents who were asked Q5favor and Q5advo

Smaller Agents were more favourable and more likely to speak well of HMRC than larger ones. Agents with a turnover of up to £60,000 (72%) and with 0 employees (70%) were more likely to be favourable than those with a turnover above £60,000 (54%) and with employees (59%). Agents with a turnover up to £60,000 (48%) and those with 0 employees (45%) were more likely to speak

well of HMRC compared to Agents with a turnover of over £60,000 (27%) and those with employees (33%).

Agents who only interacted online were more favourable (78%) compared with those who used both online and telephone contact methods (60%). This was also evident for advocacy (51% for online only compared with 35% for telephone and online).

Bookkeeping firms (73%) were more likely to be favourable than accountants (61%) or other types of firm (58%). Bookkeeping firms (48%) were also more likely to speak well of HMRC than accountancy firms (35%), but there was no difference for other types of firm (38%).

Favourability and advocacy were related to overall customer experience. Businesses that gave a positive rating for their overall experience were more likely to be favourable (87%) than those that gave a neutral rating (38%) or negative (12%). Similarly, businesses that gave a positive rating for their overall experience were more likely to speak well of HMRC (57%) than those that gave a neutral rating (13%) or negative (4%). A similar pattern can be seen for perception measures.

Favourability and advocacy have increased since 2019. On both measures, there has been a particular increase among Agents who are not members of a professional organisation: 60% in 2019 up to 71% in 2020 for favourability and 30% in 2019 up to 48% in 2020 for advocacy. There was an increased proportion of Agents who would advocate for HMRC who only interacted online from 35% in 2019 up to 51% in 2020.

Ratings of favourability and advocacy were inter-linked. Over half (56%) of Agents who gave a positive rating for favourability also said they would advocate for HMRC compared with 9% who gave a neutral rating and 5% who gave a negative rating.

## 5.7 Perceptions of compliance

This section examines Agents' general views and opinions about compliance with the tax system. It explores the relationship between experience and perceptions of HMRC with views on compliance. Some of the questions on compliance were added in 2016 while others were new in 2017, so no longer-term comparisons to 2015 can be made. No comparative measures are presented for tax avoidance between 2019 and 2018 as the question wording was changed in 2018, following cognitive testing. The question wording used in 2020 was the same as used in 2016, 2017 and 2019.

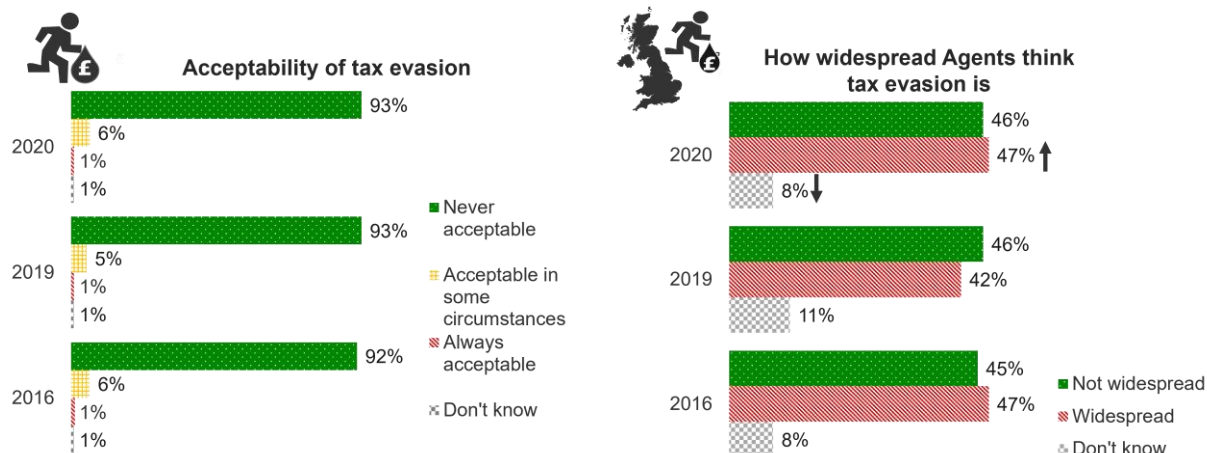
### 5.7.1 Acceptability and extent of tax evasion and perceptions on levels of detection

Agents were asked about the acceptability of individuals and businesses evading tax, which was described as 'reducing the amount of taxes paid by not declaring all income to HMRC' (Chart 5.31 and Table 5.31).

Over nine in ten Agents (93%) believed tax evasion was never acceptable. There was no increase in positive ratings for this measure over time.

Nearly half (47%) thought tax evasion was widespread, an increase since 2019 (42%) (Chart 5.31 and Table 5.31).

**Chart 5.31 Perceived acceptability of tax evasion and how widespread it is – Agents**



Q6reduce Some individuals and businesses try and reduce the amount of tax they have to pay by not declaring all of their income to HMRC. Which of these statements comes closest to your views about individuals and businesses doing this? Base: All respondents (2016: 2635; 2019: 2349; 2020: 2351). Q6declare In your view, how widespread do you think it is for individuals and businesses to not declare all their income for tax? Base: All respondents (2016: 2635; 2019: 2349; 2020: 2351).

**Table 5.31 Perceived acceptability of tax evasion and how widespread it is – Agents**

	2020	2019	2016	Sig. change from 2019	Sig. change from 2016
	%	%	%		
<b>Acceptability of tax evasion</b>					
Never acceptable	93	93	92	No	No
Acceptable in some circumstances	6	5	6	No	No
Always acceptable	1	1	1	No	No
Don't know	1	1	1	No	No
<b>How widespread Agents think tax evasion is</b>					
Not widespread	46	46	45	No	No
Widespread	47	42	47	Yes	No
Don't know	8	11	8	Yes	No

Q6reduce Some individuals and businesses try and reduce the amount of tax they have to pay by not declaring all of their income to HMRC. Which of these statements comes closest to your views about individuals and businesses doing this? Base: All respondents (2016: 2635; 2019: 2349; 2020: 2351). Q6declare In your view, how widespread do you think it is for individuals and businesses to not declare all their income for tax? Base: All respondents (2016: 2635; 2019: 2349; 2020: 2351).

Agents who were members of professional organisations (94%) were more likely than those who were not (91%) to say that tax evasion was never acceptable, although both figures are high.

Conversely, non-members of professional organisations (50%) were more likely to think tax evasion is widespread than members (45%). Bookkeeping firms (54%) were more likely to think tax evasion is widespread compared to accountancy firms (43%) and other types of firm (44%). Agents who had contact with HMRC online only were more likely to think tax evasion is widespread (53%) than those who interacted by telephone and online (44%).

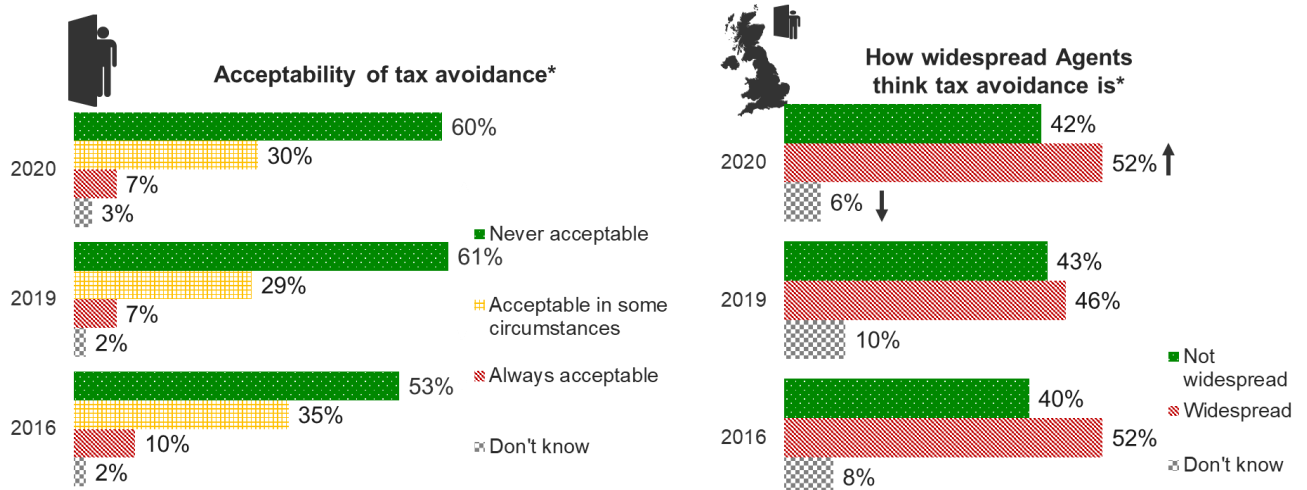
### 5.7.2 Acceptability and extent of tax avoidance

Agents were also asked about the acceptability of tax avoidance, which was described as people trying to ‘exploit tax rules to gain a tax advantage that Parliament didn’t intend – in other words, operating within the letter, but not the spirit of the law’.

Six in ten Agents thought tax avoidance was never acceptable (60%). There was no change relative to 2019 (Chart 5.32 and Table 5.32).

Just over half (52%) of Agents thought tax avoidance was widespread, up from 46% in 2019 (Chart 5.32 and Table 5.32).

**Chart 5.32 Acceptability of tax avoidance and perception of how widespread it is – Agents**



Q6exploit Some people try to exploit tax rules to gain a tax advantage that Parliament didn’t intend – in other words, operating within the letter but not the spirit of the law. Which of these statements best describes your view of how acceptable it is to do so? Base: All respondents (2016: 2635; 2019: 2349; 2020: 2351). Q6behaviour In your view, how widespread do you think this type of behaviour is by individuals and businesses? Base: All respondents (2016: 2635; 2019: 2349; 2020: 2351) \*The wording of this question was changed in 2018 and is not directly comparable to previous years.

**Table 5.32 Acceptability of tax avoidance and perception of how widespread it is – Agents**

	2020 %	2019 %	2016 %	Sig. change from 2019
<b>Acceptability of tax avoidance*</b>				
Never acceptable	60	61	53	No
Acceptable in some circumstances	30	29	35	No
Always acceptable	7	7	10	No
Don't know	3	2	2	No
<b>How widespread Agents think tax avoidance is*</b>				
Not widespread	42	43	40	No
Widespread	52	46	52	Yes
Don't know	6	10	8	Yes

Q6exploit Some people try to exploit tax rules to gain a tax advantage that Parliament didn't intend – in other words, operating within the letter but not the spirit of the law. Which of these statements best describes your view of how acceptable it is to do so? Base: All respondents (2016: 2635; 2019: 2349; 2020: 2351). Q6behaviour In your view, how widespread do you think this type of behaviour is by individuals and businesses? Base: All respondents (2016: 2635; 2019: 2349; 2020: 2351) \*The wording of this question was changed in 2018 and is not directly comparable to previous years.

Agents with a turnover up to £60,000 were more likely to agree that tax avoidance was never acceptable (64%) than those with a turnover above £60,000 (51%). The same pattern is evident between those who are self-employed (61%) and those who are not (58%). Also linked to size, bookkeeping firms were more likely to agree that tax avoidance was never acceptable (71%) than accountancy firms (55%) and other types of Agents (55%).

Businesses that gave a positive rating for their overall experience were more likely to agree that tax avoidance was never acceptable (65%) than those that gave a neutral rating (54%) or negative (49%).

Agents with 0-9 clients (59%) and those who were not members of a professional organisation (56%) were more likely to agree that tax avoidance was widespread than those with 10+ clients (48%) and those who were members (49%).

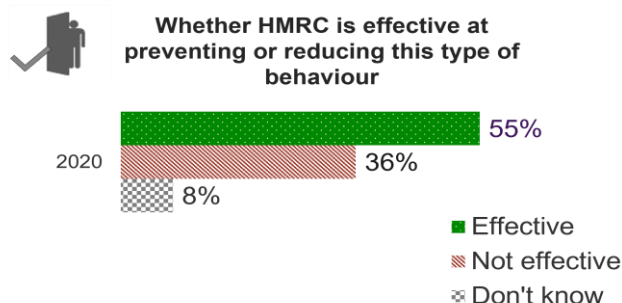
### 5.7.3 Effectiveness of HMRC in preventing or reducing tax avoidance

For the first time in 2020, Agents were asked how effective they thought HMRC was in preventing or reducing tax avoidance. Over half (55%) thought HMRC was effective, while a third thought it was not very or not at all effective (36%). Eight per cent did not know (Chart 5.33 and Table 5.33).

Agents with a positive overall experience were more likely to think HMRC was effective at tackling tax avoidance (68%) than those with a neutral (52%) or negative (38%) experience.

Those that thought tax avoidance was not widespread (69%) were more likely to think HMRC was effective than those that thought it was (51%). The same pattern was evident for tax evasion.

**Chart 5.33 Perceptions of effectiveness at preventing or reducing tax avoidance – Agents**



Q6caught. How effective do you think HMRC is in preventing or reducing this type of behaviour? Base: Half sample B (2020: 1169).

**Table 5.33 Perceptions of effectiveness at preventing or reducing tax avoidance – Agents**

	2020 %
Effective	55
Not effective	36
Don't know	8

Q6caught. How effective do you think HMRC is in preventing or reducing this type of behaviour? Base: Half sample B (2020: 1169).

## 5.8 Making Tax Digital

HMRC’s ambition is to become one of the most digitally advanced tax administrations in the world, modernising the tax system to make it more effective, more efficient and easier for customers to comply. Making Tax Digital (MTD) will make it easier for businesses to get their tax right first time and manage their tax affairs in real-time. Under MTD for VAT, businesses with a taxable turnover above the VAT threshold (currently £85,000) have been required to keep VAT records digitally and submit their VAT returns directly from their software, for VAT periods starting on or after 1st April 2019. VAT registered businesses with turnover below the VAT threshold are not required to use MTD but can choose to do so voluntarily.

In July 2020 HMRC set out its roadmap for the further rollout of MTD, with the expansion of mandatory MTD for VAT from April 2020 and the introduction of mandatory MTD for Income Tax Self-Assessment (ITSA) from April 2023.



In the 2020 survey all Agents were asked about their awareness of the changes to MTD announced in July 2020:

HMRC has introduced changes to how businesses provide information relating to their tax obligations. Businesses are required to keep their tax records digitally and to file returns to HMRC directly through compatible software. This is known as Making Tax Digital.

In July 2020 the government announced that Making Tax Digital will be extended to all businesses below the VAT threshold from April 2022, and businesses and landlords within Income Tax Self-Assessment from April 2023.

Before this interview, how much did you know about these new changes?

They were also asked about their plans to speak to their clients about the announcement

Following on from the July 2020 announcement, do you plan to speak to any of your clients who will be affected by these changes about Making Tax Digital?

If necessary: Clients affected by these changes include businesses under the VAT threshold or businesses and landlords who pay Income Tax via Self-Assessment

This report section looks at awareness of the new MTD rolls outs in 2022 and 2023, whether Agents are planning to speak to their clients about the changes and how VAT returns are submitted.

#### **5.8.1 Awareness of July 2020 announcement**

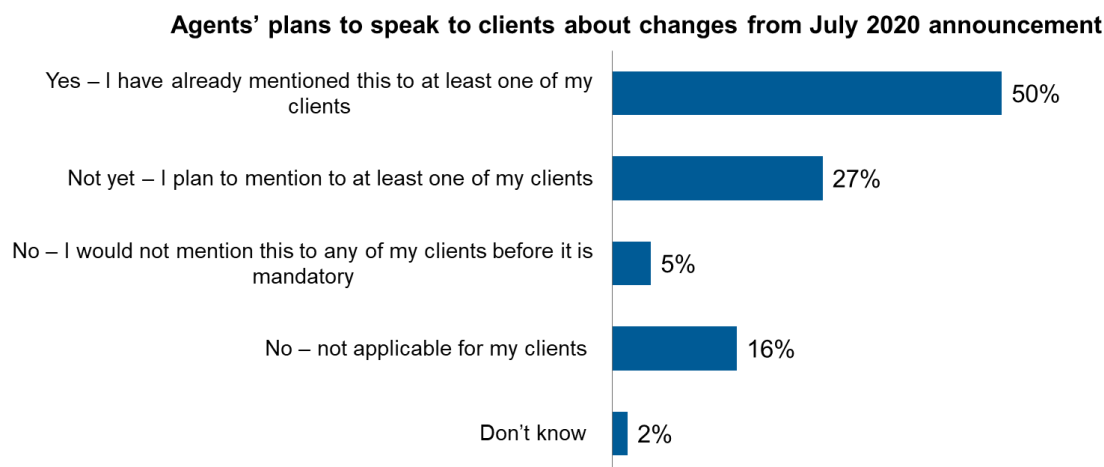
Agents were asked how much they knew about the extension of MTD to all businesses below the VAT threshold and to businesses and landlords within ITSA announced in July 2020. These changes will mean that Making Tax Digital will be extended to all businesses below the VAT threshold from April 2022 and businesses and landlords within Income Tax Self-Assessment with business and property income over £1,000 per annum from April 2023. Four in five Agents (81%) said they knew about the changes, with 41% saying they knew a lot

Accountancy firms and members of professional organisations were more likely to say they knew a lot about the changes (47% for both) than bookkeeping firms (36%), other types of firm (29%) and non-members (31%). Larger Agents with a turnover above £60,000 were also more knowledgeable than smaller Agents with turnovers of up to £60,000 (52% and 33% respectively said they knew a lot).

#### **5.8.2 Whether Agents have plans to speak to clients about the July 2020 announcement**

Half (50%) said they had already spoken to their clients about the July announcement and a further quarter (27%) said they were planning to do so. Sixteen per cent felt it was not applicable to their clients, while 5% said they would not mention it before it became mandatory (Chart 5.34 and Table 5.34).

**Chart 5.34 Agents' plans to speak to clients about changes from July 2020 announcement – Agents**



Q2announcement. Following on from the July 2020 announcement, do you plan to speak to any of your clients who will be affected by these changes about Making Tax Digital? . Base: All respondents (half sample) (2020: 1182).

**Table 5.34 Agents' plans to speak to clients about changes from July 2020 announcement – Agents**

	<b>2020</b>
	<b>%</b>
Yes – I have already mentioned this to at least one of my clients	50
Not yet – I plan to mention to at least one of my clients	27
No – I would not mention this to any of my clients before it is mandatory	5
No – not applicable for my clients	16
Don't know	2

Q2announcement. Following on from the July 2020 announcement, do you plan to speak to any of your clients who will be affected by these changes about Making Tax Digital?. Base: All respondents (half sample) (2020: 1182).

Accountancy firms were more likely to have mentioned the announcement to clients already (56%) than bookkeeping firms (43%) and other types of firm (42%). Accountancy firms were also more likely to plan to mention it (31%) than bookkeeping firms (21%) or other types of agent (24%).

Those Agents who were members of a professional organisation were more likely to say they had mentioned the announcement to their clients already (53%) compared to those who were not members (45%).

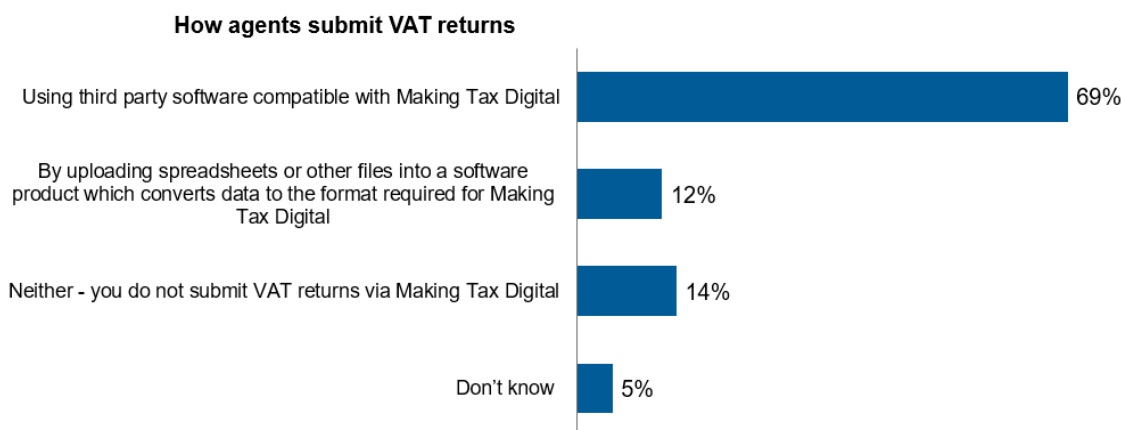
Smaller firms were more likely to say it was not applicable to their clients (22% of those with a turnover of up to £60,000 compared with 5% of those with a turnover over £60,000). Bookkeeping firms (28%) and other types of firm (25%) were also more likely to say it was not applicable than accountancy firms (7%).

### 5.8.3 How the business submits VAT returns

Agents were asked how their business submits VAT returns. Agents most commonly used third party software compatible with Making Tax Digital (MTD) (69%). Twelve per cent used bridging software while 14% said they did not submit VAT returns via MTD (Chart 5.35 and Table 5.35).

Bookkeeping firms (76%) and accountancy firms (70%) were more likely to use third party software than other types of Agent (48%). Accountancy firms (15%) were more likely than bookkeeping (7%) and other types of firm (6%) to use bridging software. Other types of Agent (36%) were less likely to submit VAT returns via MTD than accountancy (12%) or bookkeeping firms (12%).

**Chart 5.35 How agents submit VAT returns – Agents**



Q6PREPARE How the business submits VAT Returns. Base: Random half of all respondents (Half Sample B) (2020: 1169)

**Table 5.35 How agents submit VAT returns – Agents**

	2020 %
Using third party software compatible with Making Tax Digital	69
By uploading spreadsheets or other files into a software product which converts data to the format required for Making Tax Digital	12
Neither – you do not submit VAT returns via Making Tax Digital	14
Don't know	5

Q6PREPARE How the business submits VAT Returns. Base: Random half of all respondents (Half Sample B) (2020: 1169)