

**Inland Revenue & HM Customs & Excise Customer Service Survey 2004**

**Overview Report: businesses and individuals**

**August 2007**

**Prepared by:**

**HM Revenue and Customs**

**BMRB Social Research**

## **HM Revenue and Customs**

Knowledge Analysis & Intelligence (KAI)

## **BMRB Social Research**

Sally Malam

Part of BMRB Limited

BMRB/SM/45102624

BMRB is ISO9001 accredited, and is certified as working to the requirements of MRQSA/BS7911 market research quality standards

© Crown Copyright 2007 Published by Her Majesty's Revenue and Customs.

# Table of Contents

Glossary .....	5
Reporting conventions.....	5
Summary .....	7
1 Background.....	9
1.1 Aims of survey.....	10
1.2 Method.....	10
1.3 Structure of this report .....	11
2 Key results .....	13
2.1 What customers think about dealing with HMCE and Inland Revenue: satisfaction and issues driving satisfaction .....	13
2.2 Dimensions of customer service .....	18
2.2.1 Making things easy .....	19
2.2.2 Knowing what to do .....	21
2.2.3 Contacting HMCE/Inland Revenue easily and getting answers .....	25
2.2.4 Feeling well treated .....	32
Appendix – definition of customer groups.....	34



## Glossary

HMCE – HM Customs and Excise

IR – Inland Revenue

CATI – Computer Assisted Telephone Interviewing

CIS – Construction Industry Scheme

PAYE – Pay As You Earn

PSA – Public Service Agreement

SA – Self Assessment

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

## Reporting conventions

In tables, the following conventions have been used:

- Percentages for single-response questions do not always add up to exactly 100% due to the effect of rounding.
- A # symbol denotes a percentage of less than 0.5%
- A – symbol denotes zero.
- A \* next to a figure indicates a low base size (between 50 and 100 customers).
- Figures based on fewer than 50 customers have been omitted
- Base sizes are shown on all charts in brackets
- This survey used a quota sampling approach. This means that any measurement of change over time can only be indicative. Nevertheless, in line with standard industry practice, significance testing was used to identify which changes are most notable. Changes that are mentioned are those that, had a random sample been used, would have been significant at the 99% level. This means there is a one in one hundred chance that the change is the result of random fluctuation in the sample rather than a genuine change in customer perception.

Interviewing quotas are set to ensure good coverage of key subgroups. The data within each customer group (except for PAYE non-SA and Agents) has been weighted back to natural proportions, with the aim of making the figures reflect the profile of the wider population. The figures in all tables and charts (other than the base) are weighted unless stated otherwise.

## Summary

The 2004 Customer Service Survey results showed that perceptions of HM Customs and Excise (HMCE)/Inland Revenue performance were broadly positive for both individuals and business customers across most issues.

Between seven and nine in ten customers reported being either very or fairly satisfied with the service they had received in the previous 12 months. Nevertheless, key driver analysis identified areas where improvements could increase satisfaction. Whilst performance is relatively good on most of these issues, these are factors that are clearly linked to customer satisfaction, and where there is potential to drive further improvement. For businesses there were a number of key areas to improve:

- Guidance notes for key processes (CIS, employers, Excise)
- Aspects of the website (Agents (VAT), International Trade, self employed)
- Ease of providing information (preparing and submitting returns) to HMCE/Inland Revenue (Excise, VAT, CIS)

The survey results also indicate areas of the customer experience whether there is potential for improvement for individuals:

- Aspects of telephone contact (PAYE Non SA, Child Benefit, Tax Credits)
- Ease of some processes (Renewing Tax Credits, SA Tax Return, understanding SA Statement, applying for Child Benefit, understanding the PAYE Coding Notice for PAYE non SA)

Aside from satisfaction and the drivers of satisfaction, it is useful to look at key dimensions of the customer experience and take a view on relative performance of the customer groups surveyed against these dimensions. The dimensions reported on are as follows:

- Making things easy
- Knowing what to do
- Contacting HMCE/Inland Revenue easily and getting answers
- Feeling well treated

Taking the results against these dimensions together for businesses, the results for CIS contractors, employers, VAT, Excise and International Trade customers are relatively strong against the dimensions covered in this report. The results for CIS subcontractors, the self employed and Agents (both IR and HMCE) are less so.

In terms of individuals, the results are relatively consistent across the dimensions reported, with Child Benefit customers generally the most positive about their dealings with Inland Revenue and PAYE SA customers the least positive.

Looking across the four dimensions, customers tend to rate the Departments relatively highly on 'making things easy' where around three quarters of the business customer groups reported finding their end of year return easy to complete, as did around 85% of individuals for all groups. Customer perceptions under the 'knowing what to do' dimension were also relatively positive, particularly for individuals where at least seven in ten customers felt that they got enough support from Inland Revenue written guidance and around eight in ten who had used the guidance provided with key outputs found these either fairly or very easy to understand. In terms of businesses, around three quarters of the business groups surveyed felt that HMCE/Inland Revenue communicated effectively with its customers (this was a similar level to that of individuals) although some CIS and self employed customers felt that they required more support in dealing with their tasks.

Contact with the relevant Department was also relatively highly rated, with around eight in ten customers (business and individuals) who had called HMCE/Inland Revenue in the last 12 months saying that they found it easy to get the help or information they needed and around three quarters of customers saying they found it easy to get what they needed from the relevant website. In addition, around seven in ten customers (business and individuals) who had contacted HMCE/Inland Revenue in the last 12 months reported having got the help or information they were looking for at the first attempt on their most recent contact.

There was a little more variation in customer perceptions against the 'feeling well treated' dimension. For business groups, agreement that HMCE/Inland Revenue took customer needs and expectations into account in the way they operated ranged from 36% to 65% and for individual customer groups from 49% to 71%.

# 1 Background

The 2004 Customer Service Survey (CSS)<sup>1</sup> surveyed customers of both the Inland Revenue and HM Customs and Excise (HMCE) following the 2004 Budget announcement that the two Departments would merge<sup>2</sup>.

HMCE and the Inland Revenue were responsible for ensuring that the correct tax is paid at the right time and that entitlement to Tax Credits and Child Benefit are claimed and paid. Customers of the Inland Revenue included those paying direct taxes on money earned or capital gained (e.g. Income Tax, Corporation Tax). HMCE customers included those paying indirect taxes on money spent on goods and services (e.g. VAT, Excise duties). In addition, some customers are in receipt of payments administered by the Inland Revenue (e.g. Child Benefit, Tax Credits).

In 2004, the CSS was the key tool to measure individual and business customers' perceptions of the service they experienced from the Inland Revenue and HMCE. Results help the Departments to understand the drivers of customer perceptions and inform new customer service initiatives. The 2004 CSS was also used to provide baseline measures for the HMRC Spending Review (SR) 2004 Public Service Agreement (PSA) 2 customer perception Key Indicators (1, 3 and 5) and to provide a measure against the Inland Revenue Spending Review 2002 PSA target 5.

The three of the SR 04 PSA 2 customer perception Key Indicators baselined using the 2004 CSS are:

- **Key Indicator 1** – increase to at least 80% the proportion of individuals and businesses who said they achieved success at first point of contact;
- **Key Indicator 3** – increase to at least 90% the proportion of small businesses that find it easy to complete their tax returns;
- **Key Indicator 5** – increase to at least 85% the proportion of individuals who find their SA Statements of Account, PAYE Coding Notices and Tax Credit Award Notices easy to understand.

Results against these targets are reported annually in the Departments' Annual Reports and are not therefore the focus of this document.

---

<sup>1</sup> Formerly the Inland Revenue Customer Service Performance Indicator (CSPI)

<sup>2</sup> HM Revenue and Customs was formed on 18 April 2005 as a result of the merger of the Inland Revenue and HMCE

Customer service for the purposes of the CSS was divided into two broad areas: process-based and contact-based service. Process-based service covers completion of returns (e.g. Self Assessment return for PAYE and Self Employed customers, Corporation Tax return for companies), or applications (e.g. Child Benefit or Tax Credit application forms), checking of statements (e.g. Statement of Account for Self Assessed customers, Award Notice for Tax Credit recipients), and making payments (e.g. VAT or Excise payments) or receiving payments (e.g. Child Benefit, Tax Credits). These are specific to each type of customer.

Contact-based service covers a range of channels (e.g. telephone, internet, face to face and written contact). The channels used vary by customer and their information needs. For example, for general information a customer may visit the website whilst, for queries about their personal situation, they may use the telephone. Individuals may visit an Enquiry Centre, or call a Contact Centre, whilst some businesses may have a relationship with a member of staff at a local office.

### 1.1 Aims of survey

The 2004 Customer Service Survey had two key objectives:

- To help the Inland Revenue and HMCE measure individual and business customers' perceptions of the service they experienced from the relevant Department
- To provide a baseline for selected Key Indicators that feed into the HM Revenue and Customs (HMRC) SR04 Customer Experience PSA Objective 2 and to provide a measure for the Inland Revenue SR02 PSA 5 target

### 1.2 Method

The survey covered thirteen customer groups. Eight of the groups covered by the 2004 survey are business groups (including Agents), and the remaining five are individuals:

Businesses:

- Employers
- Corporates
- VAT registered businesses
- Agents
- Self employed
- Construction Industry Scheme (CIS)
- Excise customers
- International Trade

Individuals:

- PAYE Self Assessment
- PAYE non-Self Assessment
- Tax Credit recipients
- Pensioners (Self Assessed and Non Self Assessed)
- Child Benefit recipients

Further details of each group are provided in the Appendix.

In total, 18,744 interviews were conducted in 2004. Interviewing took place from October to December 2004 and between 1000 and 2000 interviews were conducted with customers in each of the thirteen customer groups. The interviews were conducted using Computer Assisted Telephone Interviewing (CATI) and each interview typically lasted between 10 and 20 minutes.

The questionnaires used to interview customers in each of the 13 groups were similar in structure and were divided into two parts. The first looked at the processes that customers have to undertake for the relevant Department, for example completing forms and making payments. The second part of the questionnaire asked about the contact that customers had with the Department over the previous twelve months with regard to these tasks.

The sampling method used for this survey was quota sampling, with interviewing quotas being set on factors which were seen to be the most likely to affect response. This ensured that groups that are harder to reach, such as large businesses, were appropriately represented in the survey. The data within each customer group (except for PAYE non-SA and Agents) was weighted with the aim of making the figures reflect the profile of the wider population in terms of the quota variable<sup>3</sup>. Sample was selected from the relevant Department's own customer databases for all groups except employers, corporates and Agents. Sample for these groups was sourced from a commercial database.

### 1.3 Structure of this report

This report gives an overview of findings for all thirteen customer groups. It focuses on customer satisfaction with the service they received from the Inland Revenue or HMCE, and drivers of satisfaction, together with findings relating to key dimensions of departmental customer service. As this was the first year a combined survey covering

---

<sup>3</sup> Since quota sampling was used, there may be non-response bias in terms of variables other than those used as quotas.

both HMCE and Inland Revenue was undertaken, no trends over time are detailed in this report.

The appendices give details of the definitions of the customer groups surveyed and the number of interviews achieved with each of these groups in 2004. References to Inland Revenue customer groups refer to those groups within the remit of the Inland Revenue as follows:

Businesses:

- Corporates
- Employers
- CIS
- Self employed

Individuals:

- PAYE SA
- PAYE Non SA
- Pensioners
- Tax Credit recipients
- Child Benefit recipients

Reference to HMCE customer groups refer to the remaining groups surveyed: VAT registered businesses, Excise and International Trade.

In most cases results for Agents (intermediaries acting on the behalf of customers) have been analysed looking at the results for Inland Revenue and HMCE Agents separately. Inland Revenue Agents are those Agents asked about their dealings with Inland Revenue over the previous 12 months. HMCE Agents were asked about their dealings with HMCE about VAT.

## 2 Key results

This report gives an overview of the survey findings across all customer groups surveyed in 2004. This first section focuses on customer satisfaction with their dealings with either HMCE or the Inland Revenue concerning the process that they were interviewed about (e.g. Self Assessment, Corporation Tax etc).

### 2.1 What customers think about dealing with HMCE and Inland Revenue: satisfaction and issues driving satisfaction

The first section focuses on satisfaction with HMCE/Inland Revenue in customer dealings about the specific process that they deal with. It must be recognised that satisfaction is a subjective measure and likely to be influenced by outcome. For example, those who get a tax repayment are more likely to be satisfied than those who end up owing money, even if both receive the same level of service. Similarly, expectations will also affect satisfaction. The same service will be differently rated depending on the level of service the customer was expecting to receive. As a result, satisfaction measures should not be used as the key measure of customer service. Instead, the survey collects more objective ratings of customer experience and uses key driver analysis to produce a list of performance issues that drive customer satisfaction, along with a relative measure of the importance of each issue in driving satisfaction.

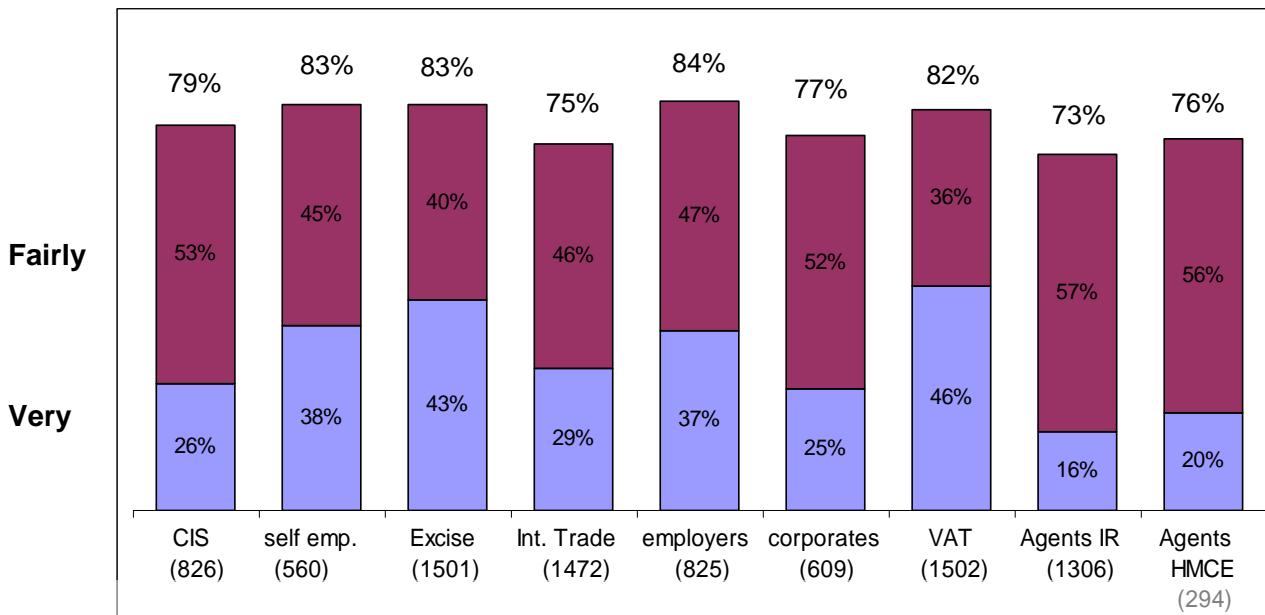
Previous research<sup>4</sup> has shown that some of those who are “fairly satisfied” with a service tend to have experienced some difficulty during that service – they are likely to have reached the desired outcome, but may have been less than satisfied with the way this was achieved. Therefore, whilst it is interesting to look at overall satisfaction (taking the results for customers who say they are fairly satisfied and very satisfied together) it is particularly important to look at customers who are very satisfied and seek to increase this.

Between seven and eight in ten business customers were either fairly or very satisfied with the service they had received from HMCE/Inland Revenue over the previous 12 months (Figure 2.1). Amongst Inland Revenue groups, employers and the self employed showed the highest levels of satisfaction, with over a third very satisfied, falling to a quarter of corporates and CIS, and only 16% of Inland Revenue Agents. Satisfaction was higher for two of the former HMCE customer groups, with over four in ten VAT and Excise customers very satisfied, falling to just under three in ten for International Trade (Figure 2.1).

---

<sup>4</sup> Elam, G & Ritchie, J, Exploring Customer Satisfaction, 1997, DSS research report 63.

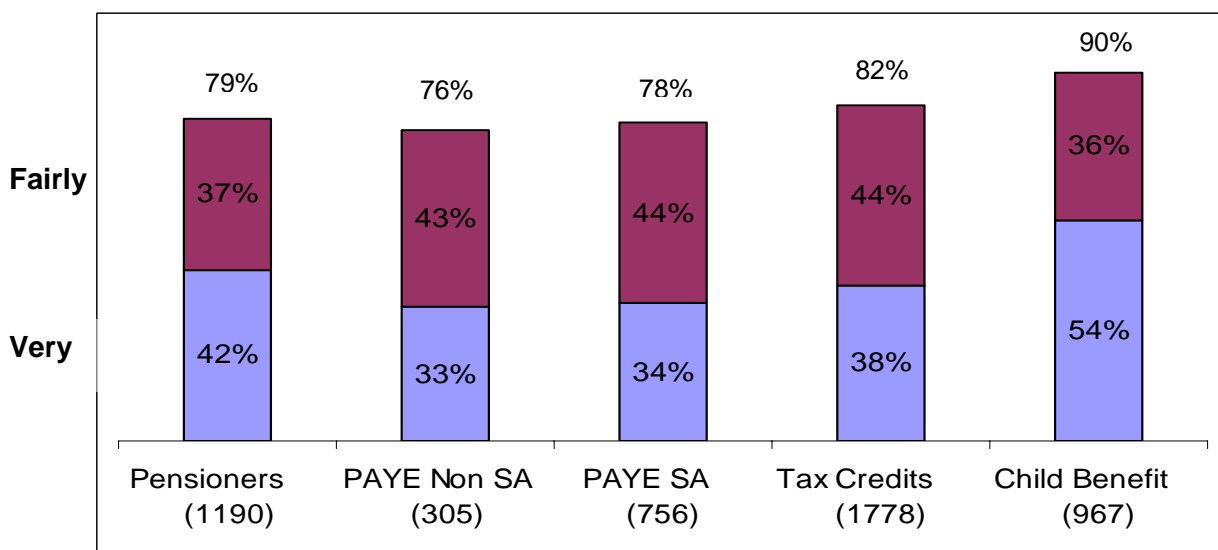
**Figure 2.1: Business customers' satisfaction with HMCE or Inland Revenue**



Base: all with dealings in the last 12 months (IR groups) & all respondents (HMCE groups)

Individual customers reported similar levels of satisfaction overall (Figure 2.2) with between seven and eight in ten customers being satisfied with the Inland Revenue across four of the five groups. Child Benefit recipients were most likely to be satisfied overall (90%) and were most likely to be very satisfied, with over half of Child Benefit customers saying that they were very satisfied. PAYE Non SA customers were least likely to be satisfied, with three quarters of these customers reporting satisfaction with their dealings with the Inland Revenue. Satisfaction for the other individual customer groups (PAYE SA, pensioners and Tax Credit recipients) was at, or closer to, eight in ten.

**Figure 2.2: Individual customers' satisfaction with HMRC**



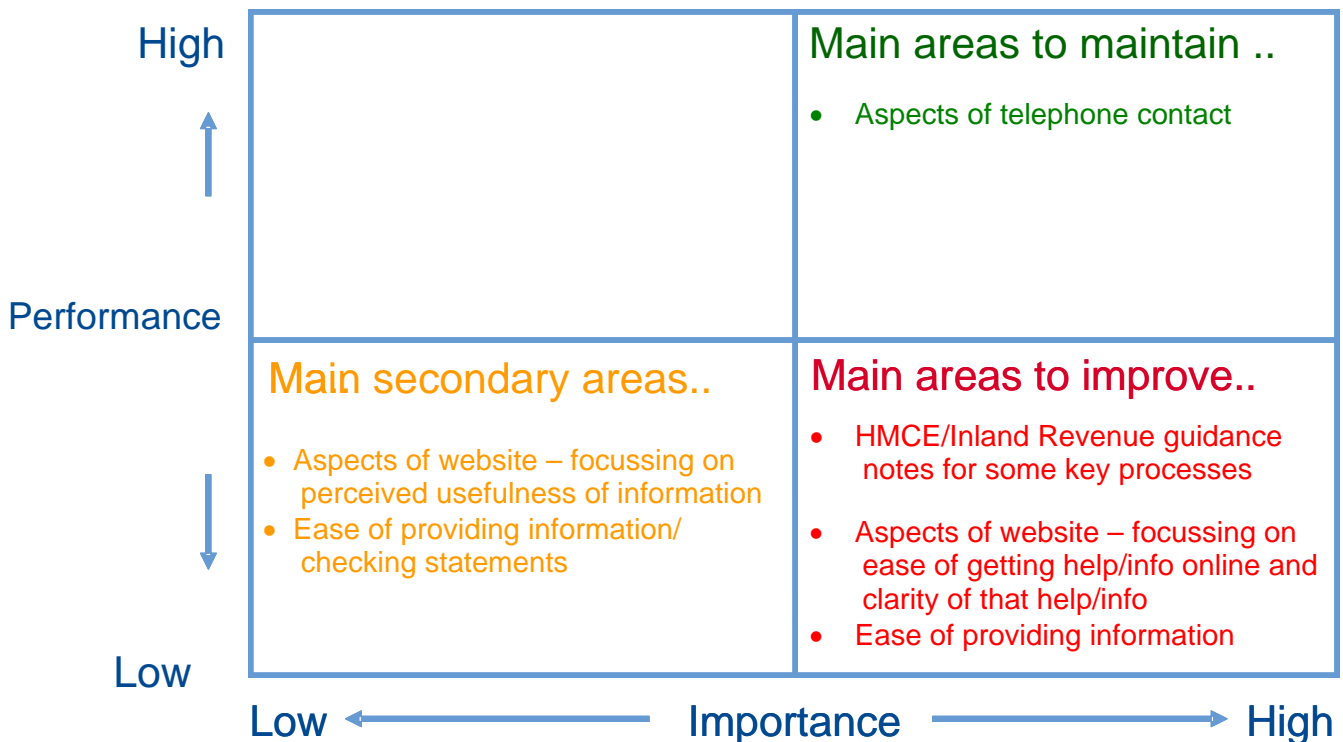
Base: all with dealings in the last 12 months

As explained, it is more important to look at what is driving satisfaction than to focus on satisfaction as a measure in itself. The survey collects ratings of customer experience and uses key driver analysis to produce a list of performance issues that drive customer satisfaction, along with a relative measure of the importance of each issue in driving satisfaction. These can be plotted against the customer ratings of the performance of each issue. Figure 2.3 divides the drivers of satisfaction for businesses into four quadrants. The key area in this diagram is the quadrant to the bottom right – issues in this quadrant are those of high customer importance but low perceived performance, relative to the other issues. Issues falling into this quadrant are identified as key areas for improvement. Those in the bottom left quadrant were identified as secondary areas for improvement as they are of less importance to the customer but are areas in which performance could be improved. Those in the top right were issues of high importance and high performance, and are therefore areas for maintenance.

In 2004, issues around the employee who dealt with the customer were explored. These issues - whether the person was helpful, knowledgeable, professional, and able to fully deal with the problem - emerged as key drivers of satisfaction in 2004 across customer groups (both businesses and individuals). Overall satisfaction with the service received from HMCE and Inland Revenue was also affected by how long it took to deal with customer queries.

Figures 2.3 and 2.4 summarise the results of the key driver analysis for businesses and individuals.

Figure 2.3 Drivers of satisfaction for business customers



The key area to be maintained for businesses was:

- Aspects of telephone contact – particularly customer confidence in the staff member dealt with by telephone (all groups except Excise and VAT)

The key areas for improvement were:

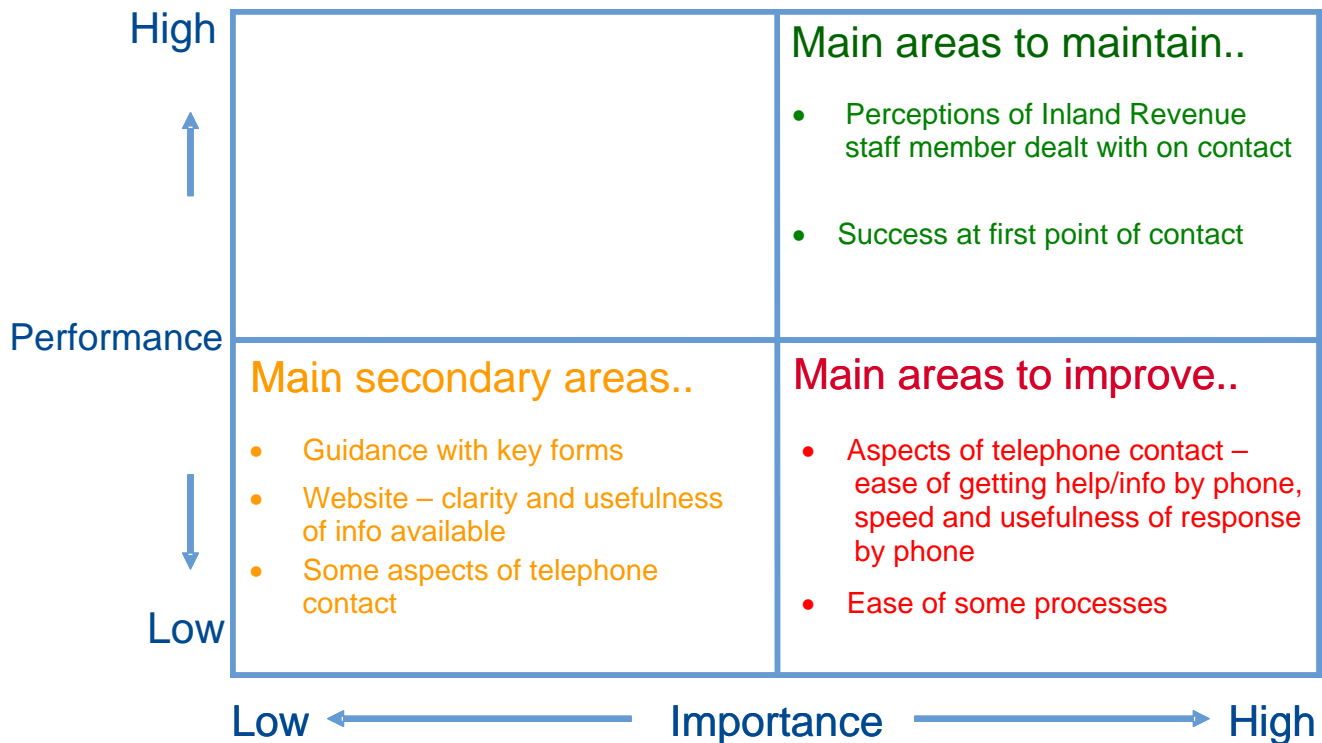
- HMCE/IR guidance notes for key processes (CIS, employers and Excise)
- Aspects of the websites – ease of getting help/info and clarity of that info (International Trade, HMCE Agents and self employed)
- Ease of providing information (preparing and submitting returns) to HMCE/Inland Revenue (Excise, VAT, CIS)

The secondary area for improvement was:

- Websites – usefulness of the information available online (CIS, corporates, VAT, International Trade, Excise, Self employed)
- Ease of providing information/checking statements (Export declaration for International Trade, checking statements for self employed)

Figure 2.4 summarises the key drivers of satisfaction for individuals.

**Figure 2.4: Drivers of satisfaction for individuals**



The key areas to maintain for individuals were:

- Customer perceptions of the Inland Revenue staff member dealt with by telephone and face to face contact (all groups except PAYE Non SA)
- Ease of getting help/information first time (PAYE Non SA, Pensioners, Child Benefit)

The key areas of improvement for individuals were:

- Aspects of the telephone contact experience – overall ease of getting help by phone; speed of getting help/info by phone; and usefulness of response (PAYE Non SA, Tax Credit recipients and Child Benefit)
- Ease of some processes - renewing Tax Credits; completing the SA Tax Return; and understanding SA statement; applying for Child Benefit, understanding the PAYE Coding Notice (Tax Credit recipients, PAYE SA, Child Benefit recipients, PAYE Non SA)

The secondary areas of improvement for individuals were:

- The guidance with key forms, particularly usefulness of this guidance (pensioners, Tax Credit and Child Benefit)
- Aspects of Inland Revenue website - clarity of information on the internet and usefulness of this information (PAYE Non SA and Child Benefit)
- Some aspects of telephone contact (PAYE SA, PAYE Non SA and Tax Credit recipients)

## 2.2 Dimensions of customer service

Since the merger of the two Departments in 2005, six key dimensions of customer service have been identified and these dimensions form the focus of the remaining sections of this report. The 2004 CSS had already been undertaken before the key dimensions were defined, and not all dimensions were covered in the survey. The diagram below shows the main measures covered in this report from the 2004 survey that relate to each key dimension<sup>5</sup>.

Key dimensions	Questions asked
I feel you make it easy	Ease of understanding key forms
I know what I have to do	Whether forms/guidance give enough support Ease of understanding guidance (individuals only) Does HMCE/Inland Revenue communicate effectively
I can contact you easily and get the answers I need	Getting help/information at first attempt Ease of getting info by phone/web
I feel well treated	HMCE/IR taking needs/expectations into account
I can rely on you to make sure individuals and businesses keep to the rules	None
I can rely on you to get it right AND I am confident I have got it right	None

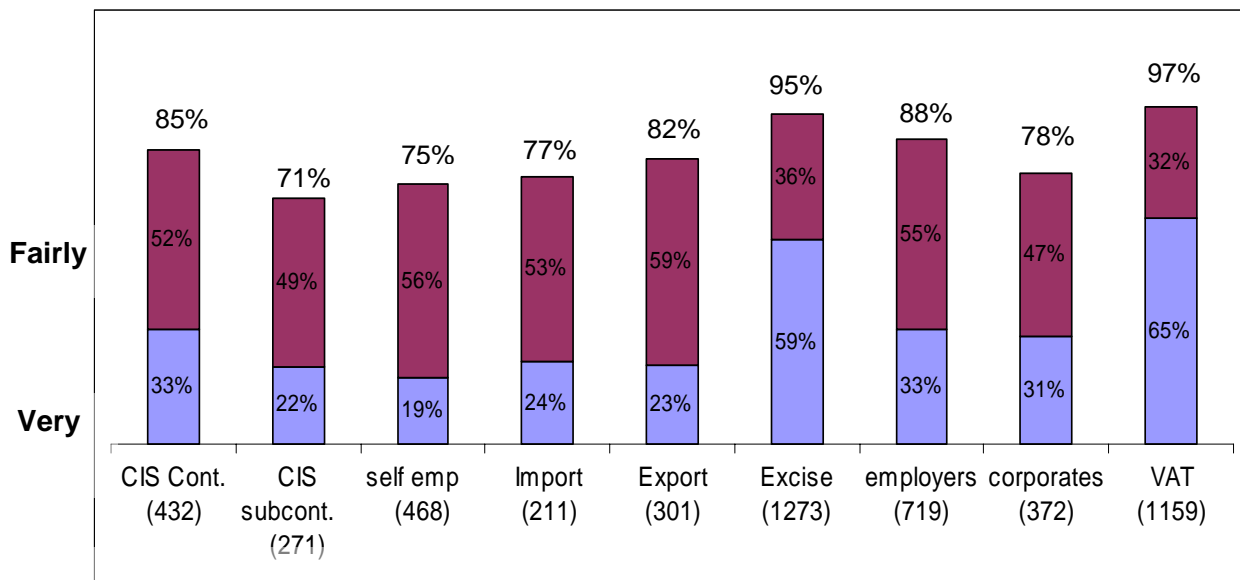
<sup>5</sup> There are many more measures in the survey which are not included in this section as it focuses on the key results only. Some of these other measures were mentioned in the section 2.1 as drivers of satisfaction but are not reported in detail within this document.

### 2.2.1 Making things easy

This section looks at key survey results relating to customer perceptions of the ease of dealing with HMCE or the Inland Revenue for the particular tax they were interviewed about.

Business customers were asked whether they completed their own key returns<sup>6</sup> and, if so, how easy they found these forms to complete (Figure 2.5). VAT customers were the most positive group, with 97% saying that they found the VAT return easy to complete. A high proportion of VAT customers (65%) reported finding this very easy. Excise (95%) showed similar levels of overall ease and employers were close behind (88%) although fewer employers reported finding their PAYE & NI form very easy to complete (33%). The business customer group that found their end of year return least easy in comparison to other groups was CIS subcontractors (71%) with reference to their Self Assessment Tax Return. Self employed customers reported the lowest levels of finding their end of year return very easy to complete (19%), also with reference to the Self Assessment Tax Return. In 2004, the results of this question for small employers, self employed and small VAT traders were used to baseline Departmental performance for its PSA 2 Key Indicator 3 target.

**Figure 2.5: Ease of completing key forms (businesses)**



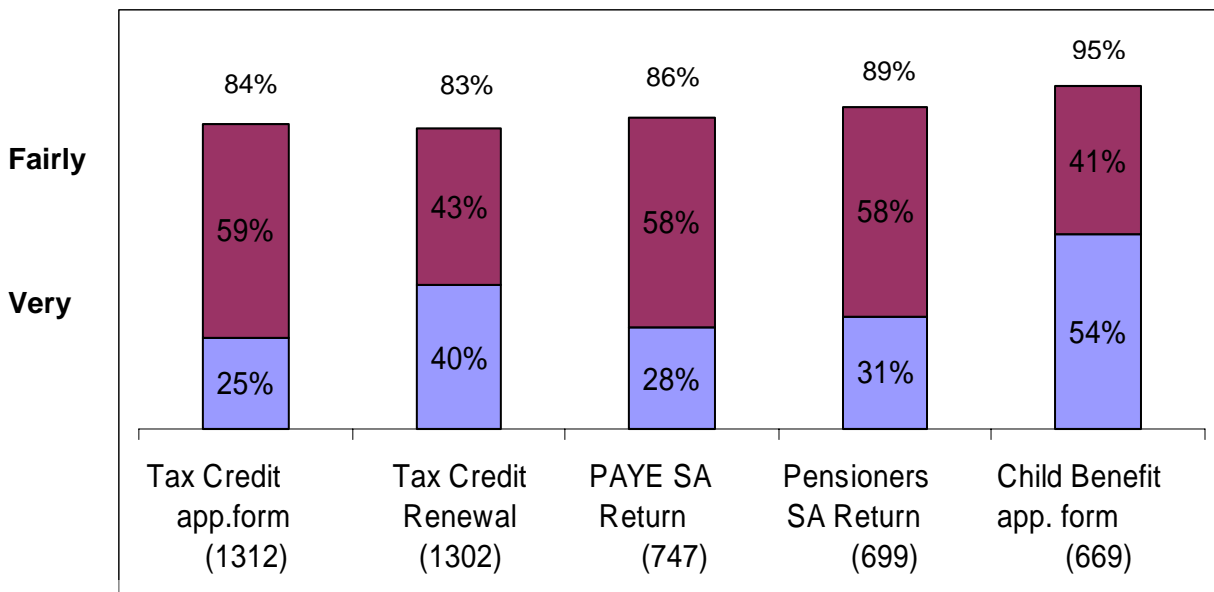
Base: all who complete own returns

The individual customer groups reported more consistent levels of ease of completing key forms (Figure 2.6). Over eight in ten customers who completed their own form reported

<sup>6</sup> Employers - end of year PAYE & NI forms; corporates - CT return; VAT - VAT return; CIS contractors - CIS 36; CIS subcontractor and self employed – SA Tax Return; Excise – Excise return; International Trade – Export and/or Import declaration

finding it easy to do so. Child Benefit customers completing the Child Benefit application form were most likely to find this easy to complete, with 95% saying it was fairly or very easy to do so in 2004. Tax Credit customers were least likely to find their forms easy when comparing across groups but this was only marginally so (83% Tax Credit Renewal and 84% Tax Credit Application form). And, although customers completing the Tax Credit renewal reported the lowest overall ease (when 'fairly' and 'very' easy results were combined), 40% of those who completed their renewal found this very easy to complete. In comparison, fewer customers in other groups except Child Benefit found their forms very easy to complete. PAYE Non SA customers do not routinely complete forms so were not asked this question.

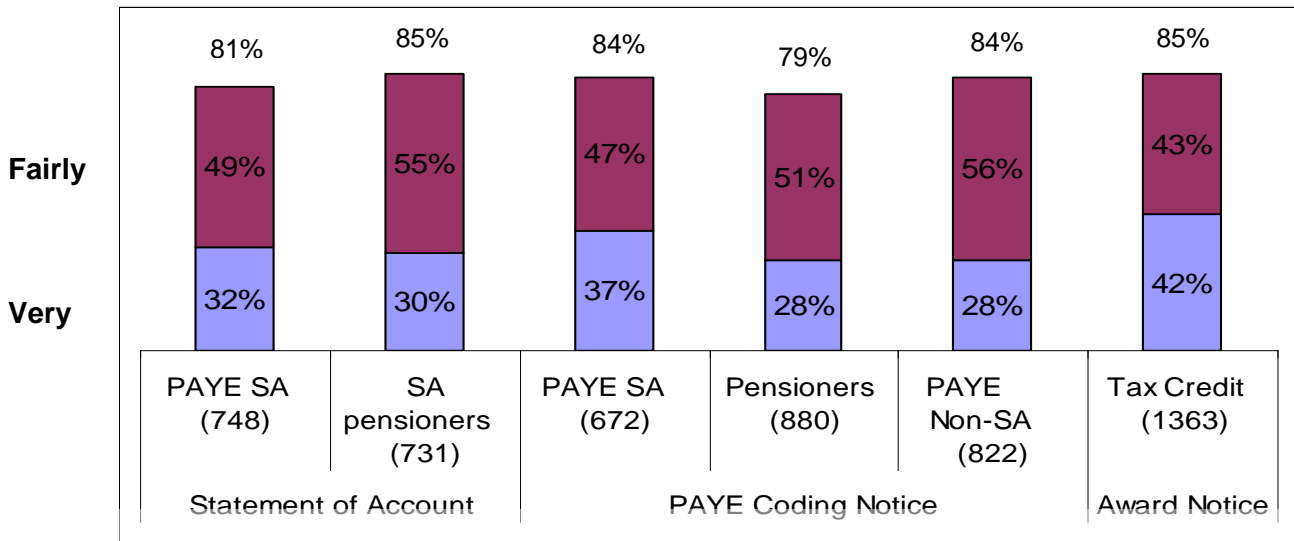
**Figure 2.6: Ease of completing key forms (individuals)**



Base: all who complete own forms

Customers were also asked about their understanding of certain key Inland Revenue outputs such as the SA Statement of Account and/or PAYE Coding Notice. Customer understanding of the PAYE Coding Notice, SA Statement of Account and Tax Credit Award Notice is used to measure Departmental progress towards meeting its SR04 PSA 2 Key Indicator 5 target (Figure 2.7). The 2004 survey provided the baseline for this measure. These results are weighted together (and combined with those of self employed customers for the SA Statement of Account) to provide an overall Key Indicator 5 score for the HMRC SR04 PSA 2 target.

**Figure 2.7: Individuals' ease of understanding SA Statement of Account, PAYE Coding Notice and Tax Credit Award Notice**



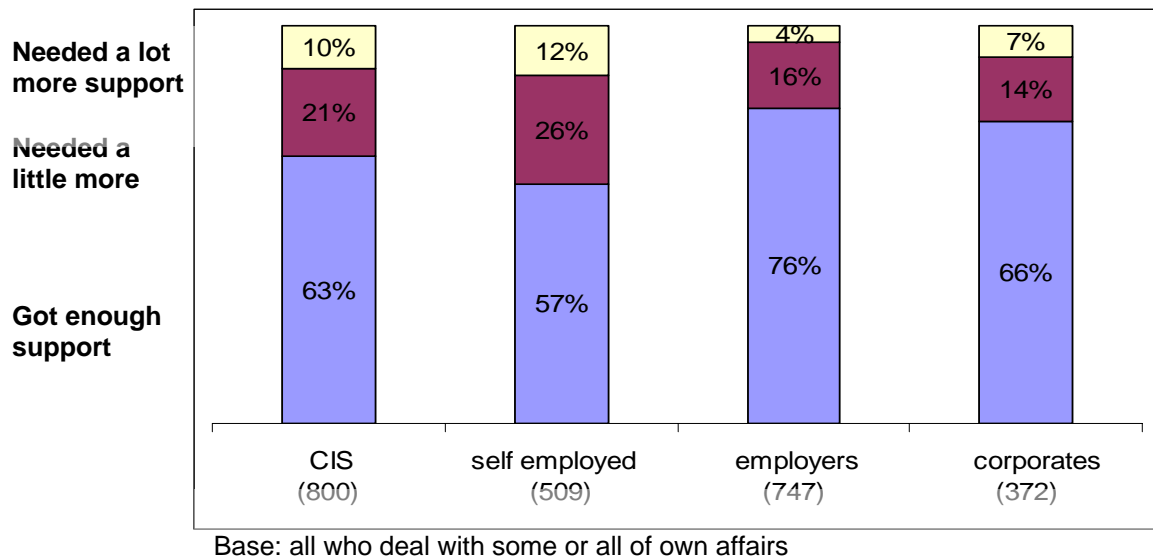
Base: all who check own SA Statement or Coding Notice/remember receiving Award Notice

Ease of understanding these outputs tended to be relatively consistent across the individual customer groups. Tax Credit customers and SA pensioners checking their own Tax Credit Award Notice or Statement of Account reported the highest levels of ease of understanding at 85%. Tax Credit customers were also most likely to say that they found the Award Notice very easy to complete (42%). Pensioners who check their own PAYE Coding Notice reported the lowest levels of ease of understanding at 79%.

### 2.2.2 Knowing what to do

This section addresses the question of how well customers feel that they know what to do when they deal with HMCE or Inland Revenue, and how well they feel this is communicated to them. One aspect of this is customer views on whether the forms and guidance provided to them by the relevant Department provide them with enough support (Figures 2.8 and 2.9).

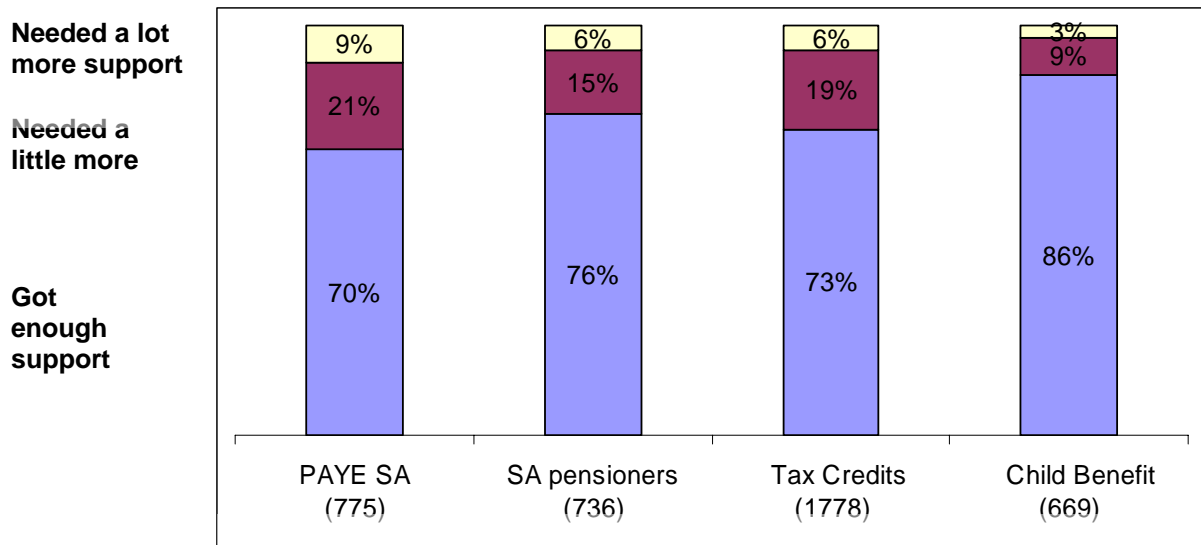
**Figure 2.8: Whether customer got enough support from written guidance (businesses)**



In 2004, this question was asked only of the Inland Revenue business customers. Results tended to vary across these groups, ranging from 57% of self employed customers feeling they get enough support from HMCE/Inland Revenue written guidance to three quarters of employers (Figure 2.8). Across these groups, self employed (12%) and CIS (10%) customers were most likely to feel they needed a lot more support from Inland Revenue. In all for these two groups, 38% of self employed customers and 31% of CIS customers felt they needed a little or a lot more support. This compares to 20% and 21% of employers and corporates.

There is also variation in the views of the individuals' customer groups on this measure (Figure 2.9). Child Benefit customers were most likely to feel they get enough support from Inland Revenue written guidance, with 86% of Child Benefit customers agreeing with this statement. PAYE SA customers were least likely to agree followed by Tax Credit customers. SA pensioners were more likely than PAYE SA and Tax Credit customers to agree (PAYE Non SA customers were not asked this question).

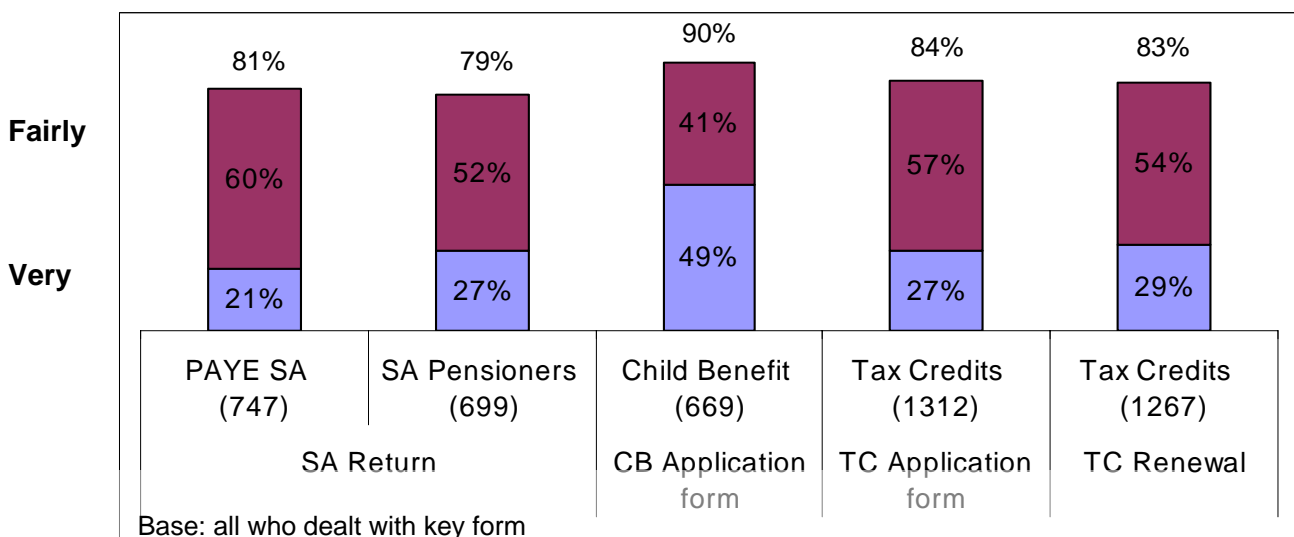
**Figure 2.9: Whether customer got enough support from written guidance (individuals)**



Base: all who deal with some or all of own affairs

PAYE SA and Tax Credit customers were most likely to feel that they needed a lot more support from Inland Revenue in dealing with the tax tasks they were interviewed about. A third of PAYE SA customers and a quarter of Tax Credit recipients felt that they needed either a little or a lot more support. This compares to 21% SA pensioners and 12% of Child Benefit recipients. Customers were also asked whether they had used the guidance that accompanies key forms and, if so, how easy they found this to understand. For individual customer groups, this related to guidance with the SA Tax Return, Child Benefit Application form, Tax Credit Application form and Tax Credit Renewal (Figure 2.10).

**Figure 2.10: How easy is it to understand the guidance with key forms (individuals)**



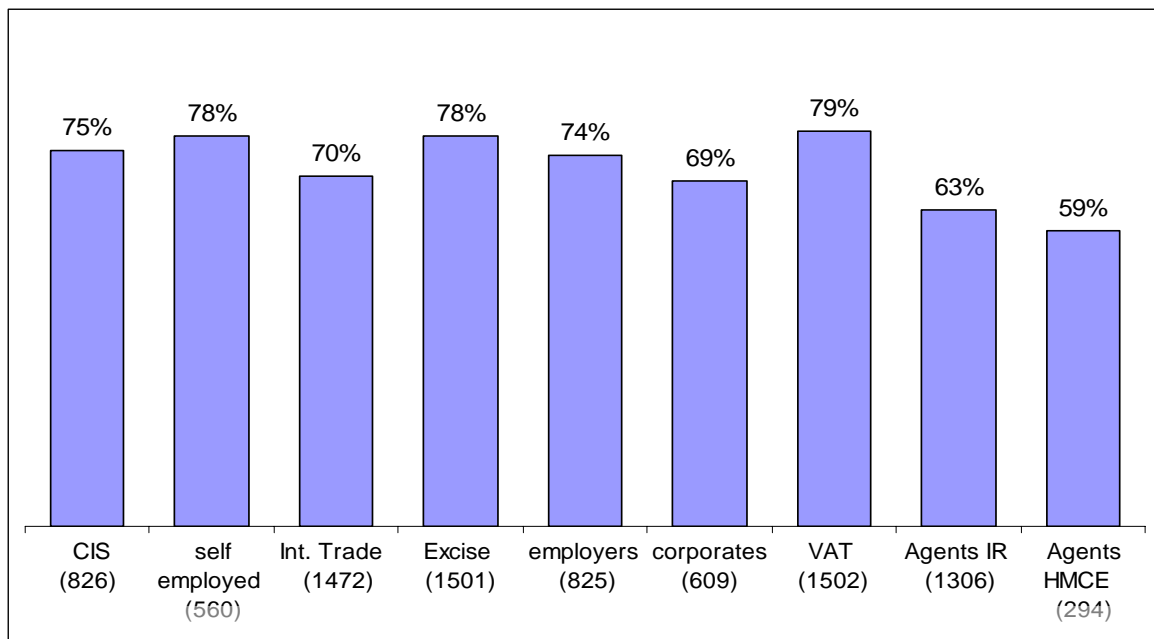
Base: all who dealt with key form

Generally, around eight in ten customers who had used the guidance with the relevant form found this either very or fairly easy to understand. Child Benefit customers were most likely to find the Child Benefit application both easy overall (90%) and very easy (49%). Across all other groups, between two and three in ten customers found the guidance very easy to understand.

How far the customer knows what to do in their dealings with HMCE/Inland Revenue depends to some extent upon how well the relevant Department communicates with them. All customers<sup>7</sup> who had made contact in the last year were asked to rate how effective they felt the Department was in communicating with its customers.

For seven of the nine business customer groups (taking IR and HMCE Agents as two groups), seven in ten or more felt that the Inland Revenue/HMCE communicates effectively with its customers (Figure 2.11). This was highest at 79% for VAT customers, Excise (78%) and self employed (78%). Agents (both IR and HMCE), corporates and International Trade customers were less likely to agree that Inland Revenue/HMCE communicates effectively, with HMCE Agents being least likely to agree (59%).

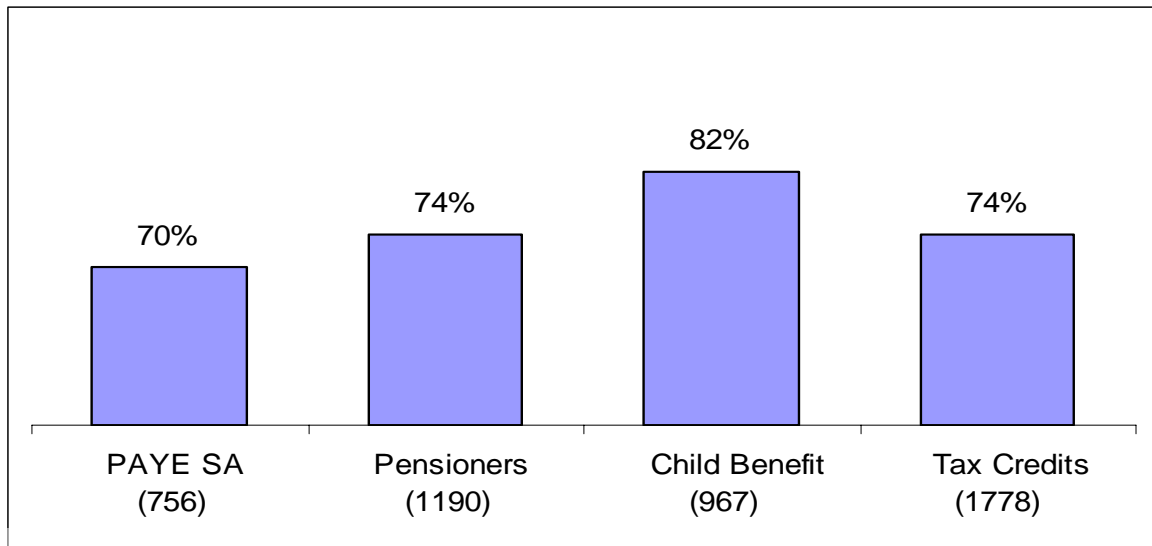
**Figure 2.11: Agreement that Inland Revenue/HMCE communicates effectively (businesses)**



Base: all with dealings in the last 12 months (IR groups) & all respondents (HMCE groups)

The individuals' customer groups rated the effectiveness of Inland Revenue communications more consistently, with seven in ten or more of all groups agreeing that Inland Revenue communicates effectively (Figure 2.12).

<sup>7</sup> Except PAYE Non SA

**Figure 2.12: Agreement that Inland Revenue communicates effectively (individuals)**

Base: all with dealings with Inland Revenue in the last 12 months

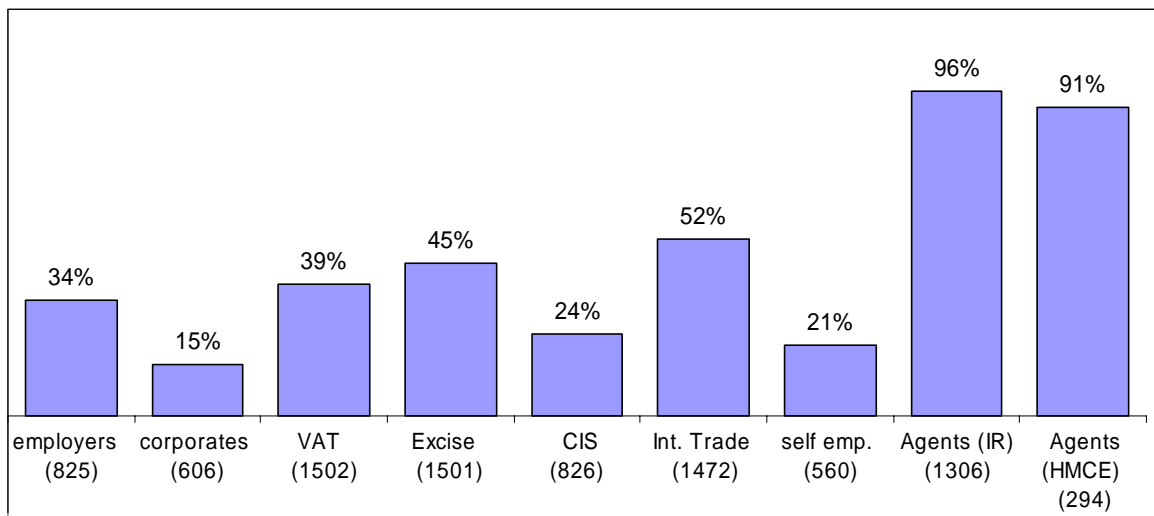
Following a consistent pattern in the results, Child Benefit customers tended to rate Inland Revenue highest on this dimension with 82% of customers feeling that Inland Revenue communicates effectively with its customers. PAYE SA customers were least likely to agree at 70%.

### 2.2.3 Contacting HMCE/Inland Revenue easily and getting answers

Customers were asked whether they had contacted HMCE/Inland Revenue in the last 12 months for help or information in relation to the tasks relevant to that group (Figures 2.13 and 2.14). This included visits to the relevant Department's website. Those customers that had made contact with the Department were then asked further questions about their contact experience.

Across customer groups surveyed, telephone was the most popular form of contact both in usage and in preference for all groups except corporates and PAYE Self Assessment customers. These two groups were more likely to have visited the website. Levels of contact with HMCE/Inland Revenue varied considerably between the CSS customer groups surveyed (Figure 2.13), with Agents tending to have the most contact and corporates the least.

**Figure 2.13: Whether made contact with HMCE/Inland Revenue for help or information in the last 12 months (businesses)**



Base: all who dealt with some or all of own affairs (IR groups) & all respondents (HMCE groups & IR Agents)

Among those businesses that had contacted either Department in the last 12 months, the most commonly used channels of contact were telephone and visits to the HMCE/Inland Revenue website. Less than 10% of customers who had contacted the Department had used any other method (face to face; email and/or postal contact). There were a small number of exceptions: 41% HMCE Agents had had written contact and 49% IR Agents, self employed (14%) and CIS (13%) had contacted Inland Revenue in person e.g. a visit to an Enquiry Centre. As the internet and telephone were the most used channels for all customer groups, this report focuses on the results for these channels in more detail.

**Table 1: Business customers contacting HMCE/IR in the last 12 months - use of telephone and internet <sup>8</sup>**

CSS customer group	% telephoned HMCE/IR in last 12 months	% used website in last 12 months	Base
Agents (IR)	90%	71%	1251
Agents (HMCE)	83%	76%	268
Corporates	29%	87%	418
Self employed	64%	52%	308
Employers	64%	61%	599
Excise	77%	49%	785
VAT	73%	55%	586
International Trade	71%	67%	791
CIS	65%	40%	352

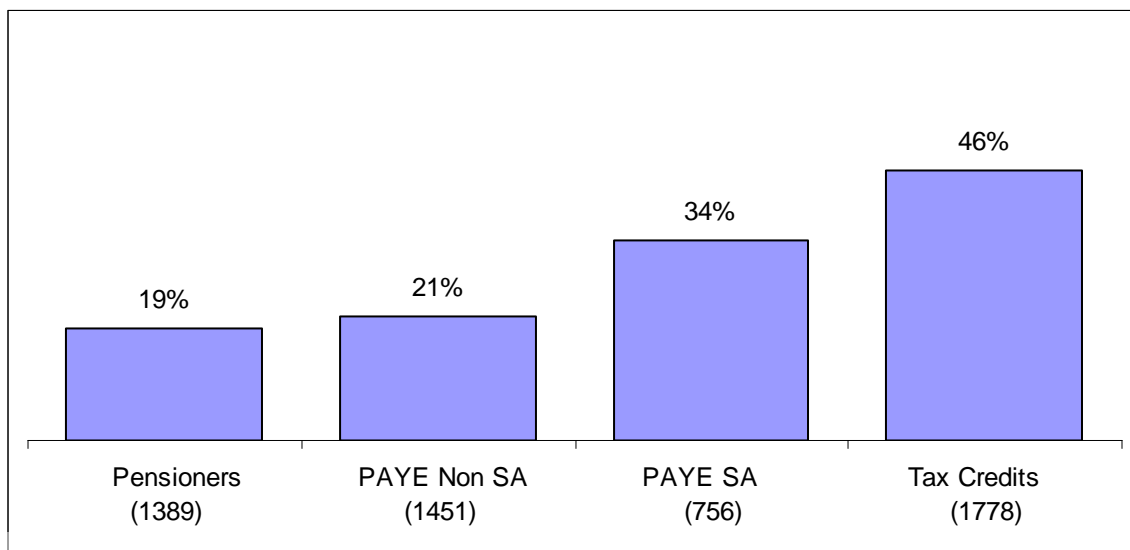
Base: all making contact \_\_\_\_\_

<sup>8</sup> Percentages shown are the % of customers who had contacted the Department in the last 12 months

In terms of usage of these two most commonly used channels, more businesses had generally used the telephone to contact Inland Revenue/HMCE in the last 12 months than had used the websites (Table 1). The exception to this is corporates where only 29% of those contacting Inland Revenue had contacted by telephone in the past 12 months and where 87% had contacted the Department by the website. Employers and International Trade customers were almost as likely to use the internet as the telephone.

Of the individuals customer groups, Tax Credit customers were most likely to have contacted Inland Revenue for help or information in the last 12 months and PAYE Non SA customers least likely (Figure 2.14). As Child Benefit customers were purposively selected to ensure that enough customers with contact with Inland Revenue over the previous year were surveyed, the results for Child Benefit customers for this question are not provided.

**Figure 2.14: Whether customer contacted Inland Revenue for help or information in the last 12 months (individuals)**



Base: all who dealt with some or all of own affairs/all respondents for non SA customers

In common with business customer groups, the most commonly used channels of contact for individuals making contact with Inland Revenue were telephone and visits to the Inland Revenue website. Again, less than 10% of customers who had contacted Inland Revenue in each group had used other contact methods. The exception to this was pensioners who also tend to use face to face methods (18%) and written contact by post (13%) and Child Benefit and PAYE Non SA customers, 13% and 11% of whom had also contacted the Department by post.

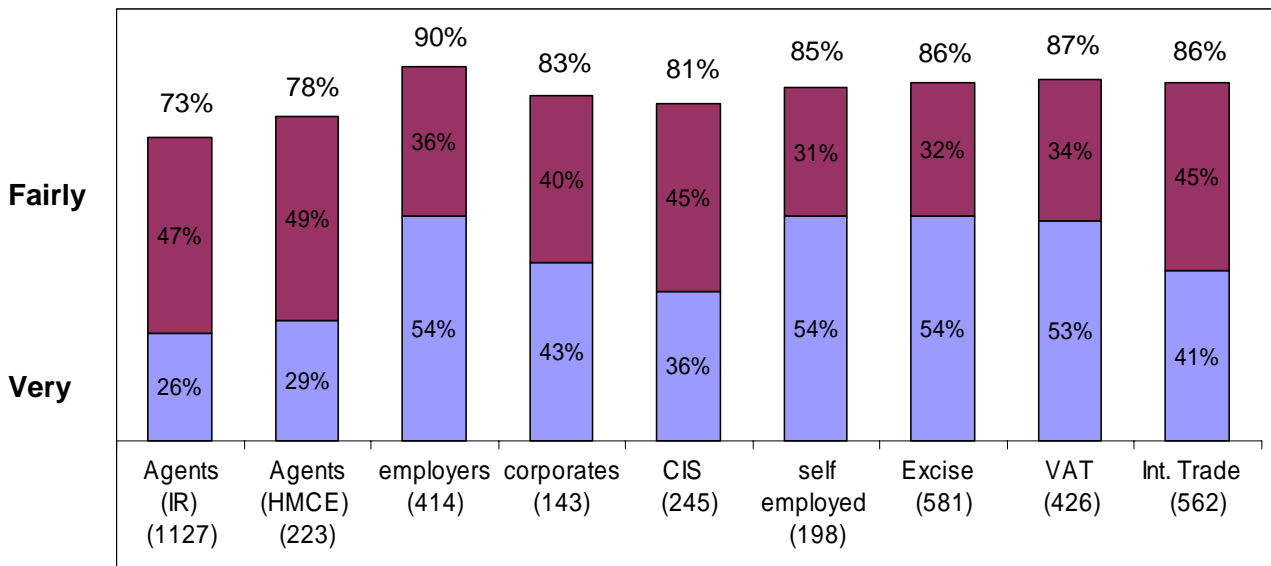
Four of the five individuals customer groups were more likely to use the telephone to contact Inland Revenue than the website. Child Benefit (79%) and Tax Credit customers (76%) with contact were most likely to have used the telephone to contact the

Department. Seven in ten pensioners had contacted Inland Revenue by phone as had 58% of PAYE Non SA customers with contact. PAYE SA customers were the only group more likely to use the internet than telephone. Two thirds of PAYE SA customers who had contacted the Department in the last 12 months had done so via the website compared with 56% having contacted by telephone. Of the other groups, pensioners and Child Benefit were least likely to use the internet (15% and 32%), followed by PAYE Non SA (42%) and Tax Credit customers (45%).

Customers were also asked about ease of getting help and information during their most recent contact with HMCE/Inland Revenue for each contact channel they had used in the previous 12 months. As the majority of customers had contacted the Department by telephone and/or via the HMCE/Inland Revenue website, detail on the results for these two contact channels only is provided in this report.

Around eight in ten business customers who had contacted the Department by telephone found it very or fairly easy to get the help or information they were looking for (Figure 2.15). This was highest at 90% for employers and lowest at 73% for Inland Revenue Agents. Employers, self employed, Excise and VAT were most likely to find it very easy to get this information by telephone.

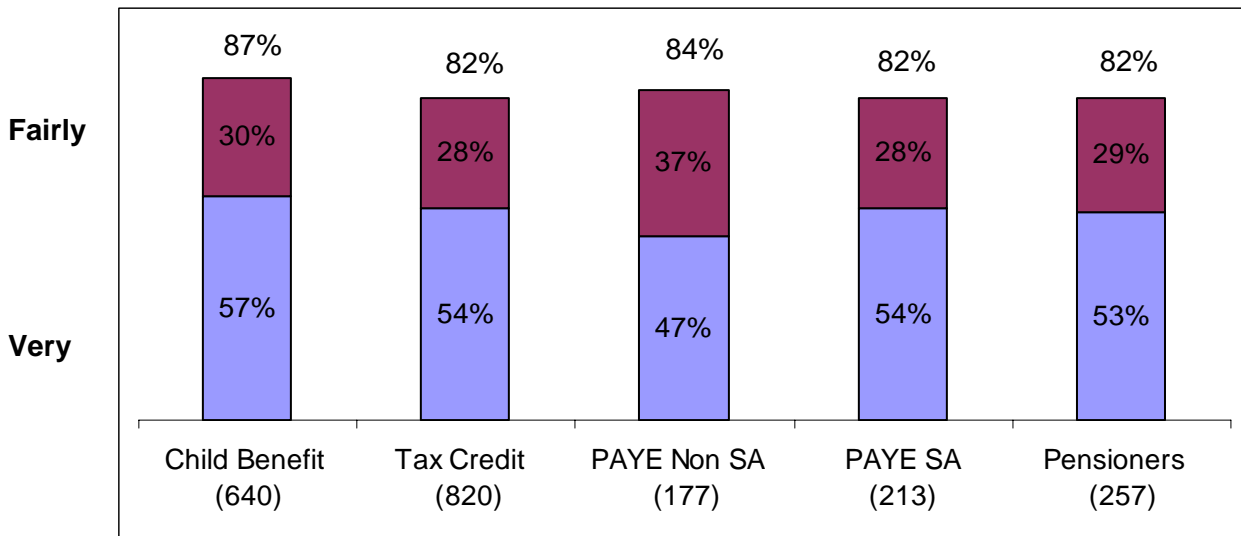
**Figure 2.15: Ease of getting help or information by telephone (businesses)**



Base: all with telephone contact in the last 12 months

The results for individuals (Figure 2.16) were similar, with around eight in ten customers who had contacted Inland Revenue by telephone over the previous 12 months finding it very or fairly easy to get the information they needed. Around three in ten customers in each group found this very easy.

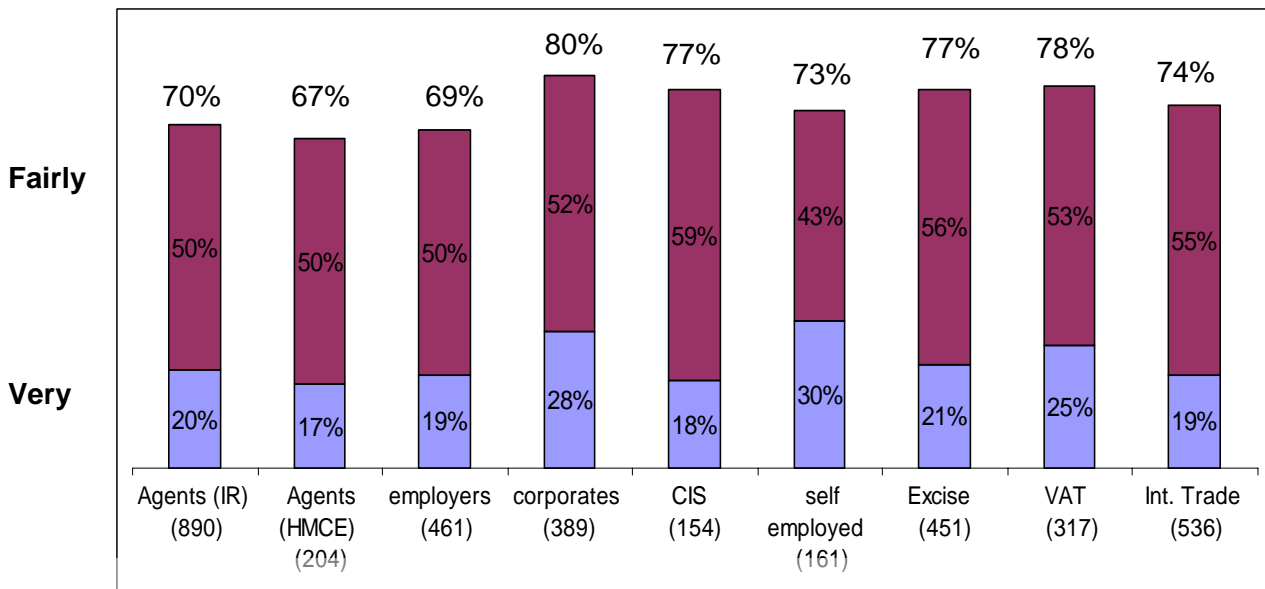
**Figure 2.16: Ease of getting help or information by telephone (individuals)**



Base: all with telephone contact in the last 12 months

Customers' ratings of the ease of getting help or information on the website were slightly lower than that for the telephone. For business customer groups, around seven in ten customers found it very or fairly easy (Figure 2.17) compared to eight in ten by telephone. Corporates, who tended to use the internet more than the telephone, found it easiest to get the help or information they needed on the website (80%). HMCE Agents (67%) and employers (69%) tended to find it least easy.

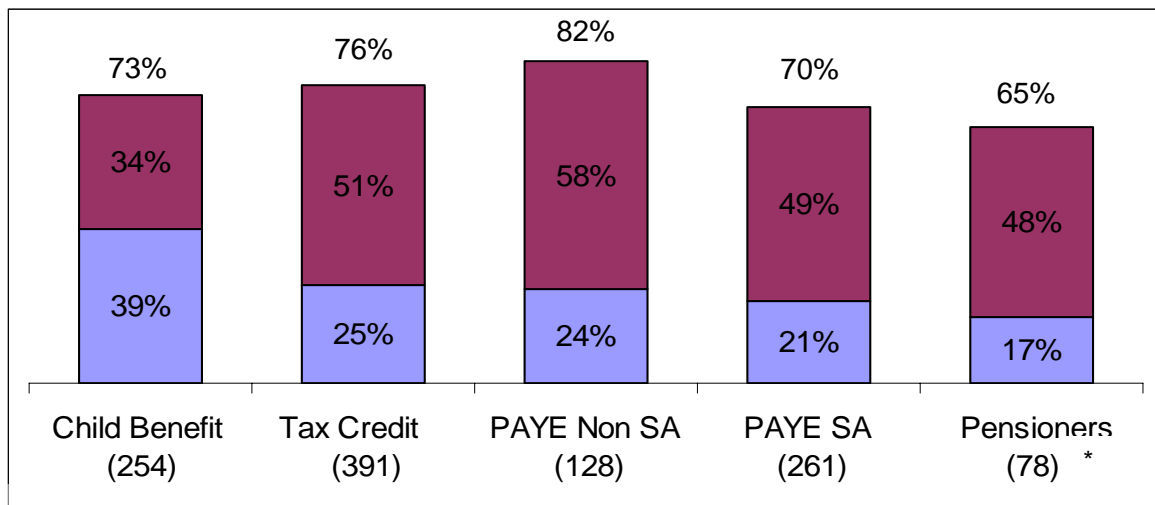
**Figure 2.17: Ease of obtaining help or information on HMCE/Inland Revenue website (businesses)**



Base: all with internet contact in the last 12 months

In common with businesses, individuals who had visited the Inland Revenue website over the previous 12 months for help of information tended to find it slightly less easy to get information when compared to the overall ease of getting information by telephone for the same customer groups (Figure 2.18). PAYE Non SA customers who had used the website tended to find this easiest, with 82% saying that they found it very or fairly easy to get the information they were looking for. Pensioners were least likely to find it easy (65%).

**Figure 2.18: Ease of obtaining help or information on Inland Revenue website (individuals)**



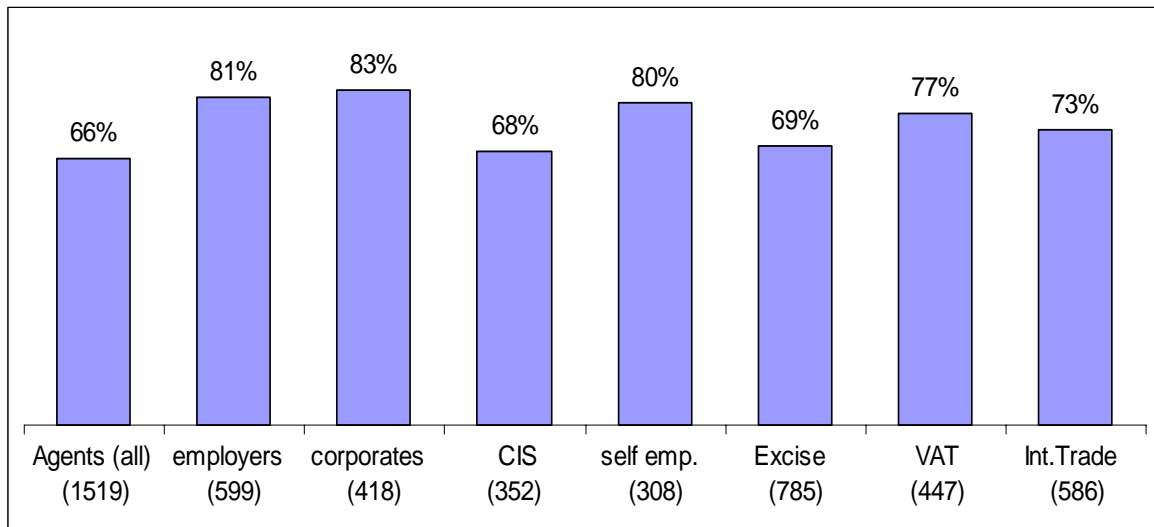
Base: all with internet contact in the last 12 months

\* Caution low base size for pensioners

The 2004 survey provided a baseline measure for the HMRC SR04 Key Indicator covering performance on customer contact. This focused on how far customers felt they got the help or information they needed the first time they contacted the Department.

Between six and eight in ten business customers reported getting the help or information they needed when they contacted HMCE/Inland Revenue about their most recent issue in the last 12 months (Figure 2.19). Corporates, employers and self employed tended to get the most success first time when compared to the other business customer groups. Agents, CIS and Excise were least likely to get the help or information they needed first time.

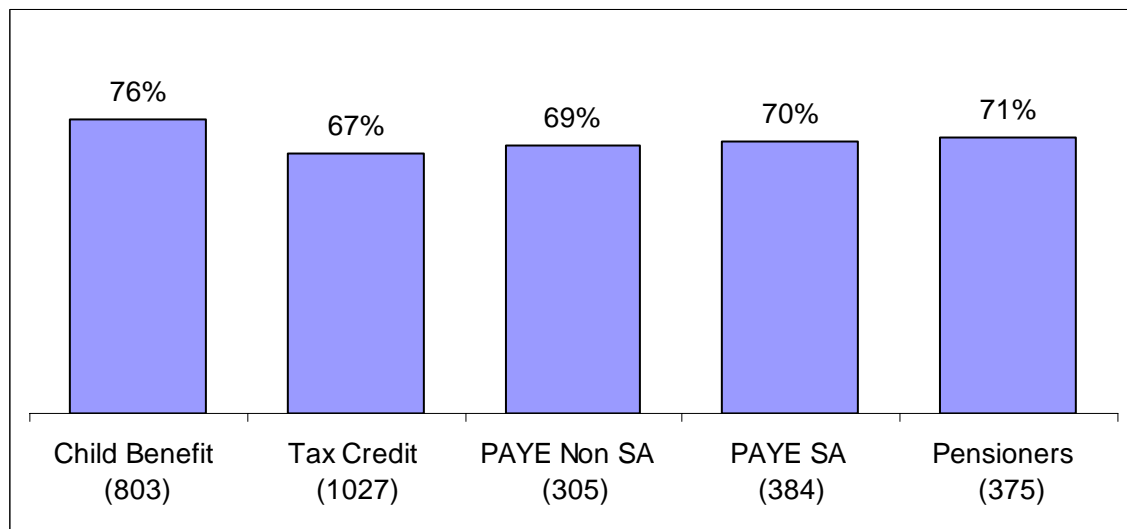
**Figure 2.19: Whether got help or information first time (businesses)**



Base: All with contact (excluding those with internet-only contact for VAT and International Trade)

Around seven in ten customers within the individuals' customer groups got the help or information they needed first time when they had contacted Inland Revenue (Figure 2.20). This was relatively consistent across the groups. Child Benefit customers tended to report the highest levels of success (76%) and Tax Credit customers the lowest (67%).

**Figure 2.20: Whether got help or information first time (individuals)**

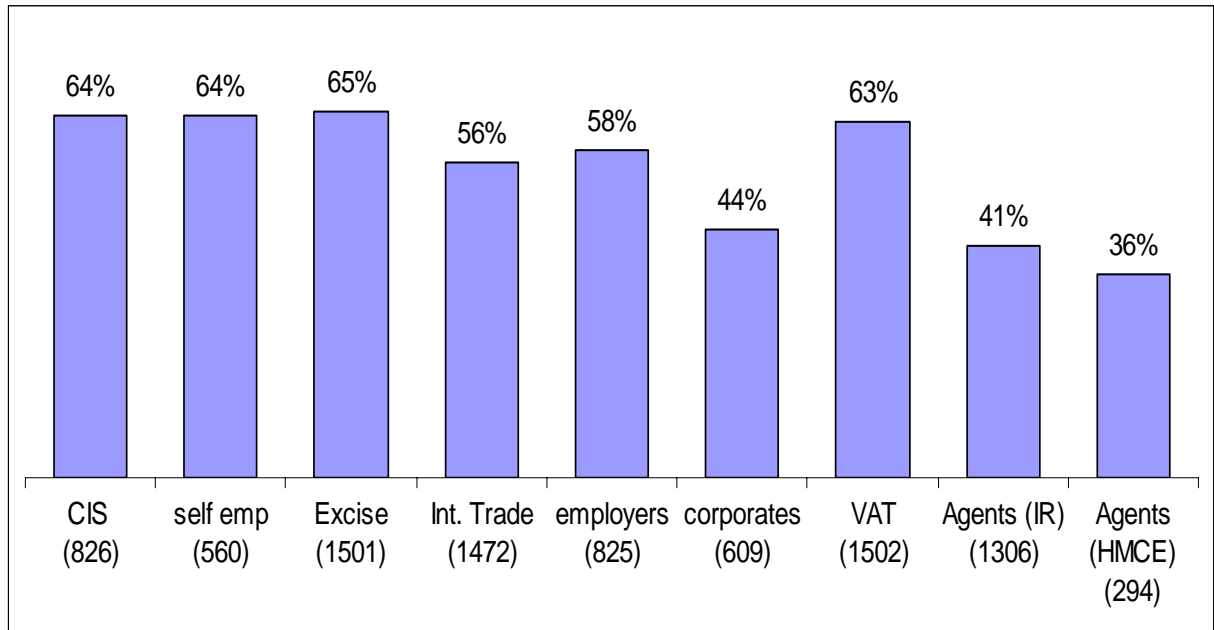


Base: All with contact

### 2.2.4 Feeling well treated

This section looks at how well customers feel they were treated by HMCE/Inland Revenue and covers how well customers feel the relevant Department takes their needs and expectations into account in the way it operates.

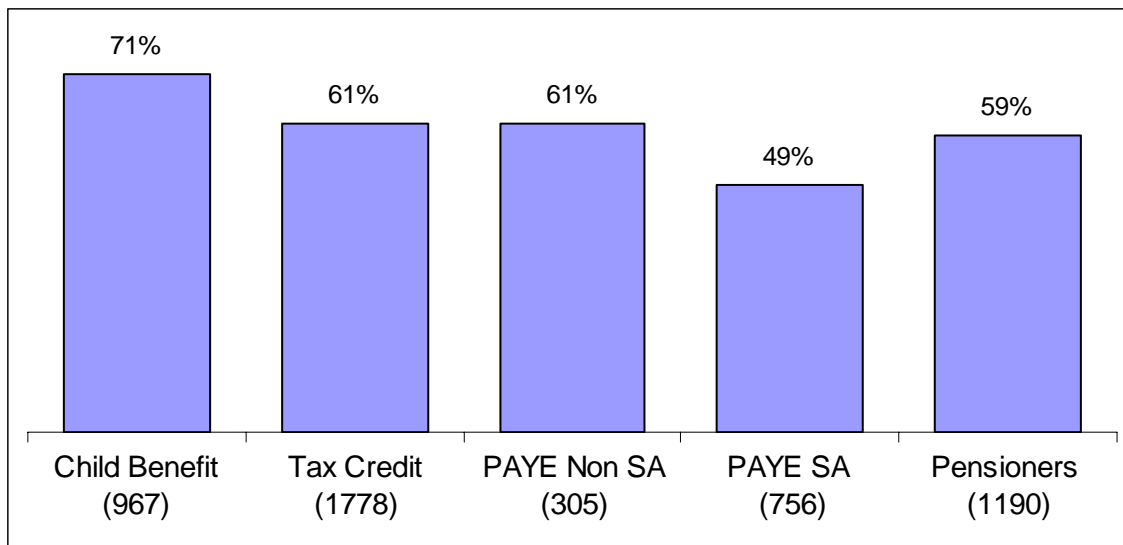
**Figure 2.21: Agreement that HMCE/Inland Revenue takes customer needs and expectations into account in the way it operates (businesses)**



Base: all with dealings or contact in the last 12 months (IR groups) & all respondents (HMCE groups)

There was some variation in business customers' agreement that HMCE/Inland Revenue takes customers expectations into account in the way it operates (Figure 2.21). CIS, self employed, Excise and VAT customers were most likely to agree with this statement each at around 65% agreement. Agents and corporates were least likely to agree, with HMCE Agents least likely to agree (36%).

**Figure 2.22: Agreement that Inland Revenue takes customer needs and expectations into account in the way it operates (individuals)**



Base: all with dealings or contact in the last 12 months

There was also some variation in levels of agreement across the individuals customer groups surveyed (Figure 2.22). Child Benefit customers were most likely to agree that Inland Revenue takes customer needs and expectations into account in the way it operates, with 71% agreeing with this statement. Around three in five Tax Credit, PAYE Non SA and pensioner customers agreed with this statement compared to just under half of PAYE SA customers.

## Appendix – definition of customer groups

### Businesses:

Customer group	Definition	No. of achieved interviews
Employers	Businesses with at least one employee.	1200
Corporates	Businesses registered for Company Tax.	1500
VAT registered businesses	All VAT registered traders.	1500
Agents	Businesses from the Standard Industry Codes covering professions such as accountancy, book-keeping and payroll bureaux.	1600
Self employed	All self employed traders.	1500
Construction Industry Scheme (CIS)	Contractors and subcontractors registered for CIS.	1200
Excise customers	Those who deal with the following Excise duties within their business:	1501
	○ Tied Oils	184
	○ Registered Dealers in Controlled Oils (RDCO)	431
	○ Beer Duty	159
	○ Registered Owners	163
	○ Registered Excise Dealers and Shippers (REDS)	73
	○ Excise Warehouses	114
	○ General Betting Duty	134
	○ Aggregates Levy	133
	○ Climate Change Levy (CCL)	33
	○ Landfill Tax	77
International Trade	Import and export traders in the UK and import/export Agents.	1472

**Individuals:**

<b>Customer group</b>	<b>Definition</b>	<b>No. of achieved interviews</b>
PAYE Self Assessment	Those in paid employment who pay their taxes under self assessment.	1096
PAYE non Self Assessment	Those in paid employment who do not pay their taxes under self assessment.	1451
Tax Credit recipients	Customers who had applied for or renewed their Working Tax Credit or Child Tax Credit application in the past year	2000
Pensioners (Self Assessed and Non Self Assessed)	Customers drawing a state pension, both Self Assessment and non Self Assessment	1724
Child Benefit recipients	All customers who had submitted a Child Benefit application or had contacted the Child Benefit office in the last year <sup>9</sup>	1000

---

<sup>9</sup> This is the only group where everyone receiving a service is not covered. This approach was taken in view of the fact that customers simply in receipt of Child Benefit have no active interaction with Inland Revenue.