

HMRC Customer Service Survey 2005

Overview Report: businesses and individuals

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Glossary

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 respondents who were asked a question.

HMCE – HM Customs and Excise

IR – Inland Revenue

E'ers - Employers

Significant/statistically significant – Any difference reported as significant should be large enough to reflect a true difference for the customer group. See below for further detail.

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 respondents).
- Base sizes are shown on all charts in brackets.
- Figures based on fewer than 50 respondents have been omitted
- The data within each customer group (except for PAYE non-SA and Agents) has been weighted with the aim of making the figures more representative of the wider population. The figures in all tables are weighted unless stated otherwise.

- 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 highlighted 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 naturally occurring proportions in the quota variable, with the aim of making the figures reflect the profile of the wider population. The figures in all tables and the charts (other than the base) are weighted unless stated otherwise.

Summary

In 2005, between six and nine in ten customers reported being either very or fairly satisfied with the service they had received from HMRC 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. Taking the results of businesses and individuals together, it is clear that there is opportunity for improvement around some HMRC guidance and also some aspects of the HMRC website, an increasingly popular channel of contact with the Department.

For businesses there were a number of key areas to improve:

- HMRC guidance (employers, self employed, VAT, International Trade, corporates, CIS and Excise)
- HMRC website - clarity and usefulness of information (corporates, employers, CIS, Excise, International Trade and self employed)
- Some aspects of telephone contact (CIS, employers and Excise)

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

- HMRC guidance (all groups)
- Ease of completing key processes (Tax Credits, PAYE SA and Child Benefit)
- Ease of understanding key HMRC outputs (PAYE SA, pensioners and Tax Credits)

For both business and individual customers, the way the HMRC member of staff deals with customers by telephone is an area where the Department performs well relative to other drivers of satisfaction and performance in this area needs to be maintained.

Aside from satisfaction and the drivers of satisfaction, it is useful to look at key dimensions of customer experience and take a view on relative performance of the customer groups surveyed against these dimensions. This report assesses performance of the customer groups surveyed against the following customer experience dimensions:

- Making things easy
- Knowing what to do
- Contacting HMRC easily and getting answers
- Feeling well treated

Performance for most customer groups against these dimensions was, on the whole, encouraging in 2005. Taking the results for businesses together, VAT traders and employers tended to perceive HMRC performance most positively whereas Agents, corporates and, to a lesser extent, International Trade customers viewed the Department less well on these dimensions relative to other business customer groups. For self employed customers, there were encouraging signs of improvements in their perceptions of dealing with HMRC processes (and in particular the SA Tax Return) since 2004.

Across all business customers, performance on the 'making it easy', 'knowing what to do' and 'contacting easily and getting answers' dimensions was generally strong. However, there was room for improvement on the 'feeling well treated' dimension, where HMRC received the lowest scores for business customers relative to the other issues covered.

Individuals customer groups tended to follow the same pattern when looking at relative performance. It was evident that HMRC fared less well around customer perceptions in relation to the 'feeling well treated' dimension. Child Benefit customers consistently emerged as those with the most positive perceptions of the Department (this is likely to some extent to have been influenced by the payment receiving rather than tax paying nature of their relationship with HMRC) and there were indications that things were generally getting easier for Tax Credit customers with particularly encouraging results around their perceptions of the ease of completing the renewal form. Of all the individuals' customer groups, PAYE SA customers were slightly less satisfied relative to the other individuals groups although, still, there was no evidence of a change in PAYE SA customers' perceptions of the Department on these measures since 2004.

Background

HM Revenue & Customs (HMRC) was formed on the 18 April 2005, following the merger of the Inland Revenue and HM Customs and Excise¹. Its role is to ensure that customers pay the correct tax at the right time and claim their Tax Credit and other entitlements.

HMRC's customers (covering both businesses and individuals) include those paying direct taxes on money earned or capital gained (e.g. Income Tax, Corporation Tax), and also those paying indirect taxes on goods and services (e.g. VAT, Excise duties). In addition, some customers are in receipt of payments made and administered by HMRC (e.g. Child Benefit, Tax Credits). The customer and customer service are at the core of the HMRC strategy. Its aim is as follows:

"We will be alongside our customers, making it easy for them to participate and contribute to the UK's wellbeing.

We will be customer focused, treating our customers according to needs and behaviours to deliver our corporate objectives:

- a) we will design our processes from the customer perspective so that interactions feel tailored to their circumstances*
- b) we will simplify our interactions with customers*
- c) our guidance will be clear and strive to offer customers certainty wherever possible*
- d) we will be accessible, embracing effective new ways for delivering quality services."*²

Customer service in HMRC can be divided into two broad areas: process-based and contact-based service. Process-based service covers completion of returns (e.g. Self Assessment return for certain individuals and small businesses, Corporation Tax return for companies), or applications to receive an entitlement (e.g. Child Benefit or Tax Credit application forms), checking of statements (e.g. Statements for Self Assessed customers,

¹ Fieldwork for the 2005 CSS took place in October and November 2005 following the merger of the two Departments. Survey results therefore reflect customer experiences of dealing with HMRC and/or their experiences of dealing with Inland Revenue and HM Customs & Excise prior to the merger. For the purposes of reporting we shall refer to HMRC in this report.

² HMRC Annual Report 2005-6. p13. <http://www.hmrc.gov.uk/about/reports.htm>

Award Notice for Tax Credit recipients), and making payments (e.g. VAT or Excise payments) or receiving payments (e.g. Child Benefit, Tax Credits).

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. Enquiry Centres tend to be used more extensively by individuals and the telephone used by all customers.

Within this framework of customer focus, HMRC runs a large scale annual Customer Service Survey (CSS). For the purpose of the survey, customers are defined according to a particular process they deal with (e.g. Corporation Tax, Tax Credits etc). The CSS covers 13 key customer groups (see section 1.2 for details).

The CSS is the key tool to measure individual and business customers' perceptions of the service they experience from HMRC. Results help HMRC understand drivers of customer perceptions and inform new customer service initiatives. Direct evidence from customers is increasingly important given the emphasis on customer focus in HMRC.

In addition, the 2005 CSS provided the final measure against the former Inland Revenue Spending Review 2002 PSA target 5 and was used to measure progress towards three of the HMRC Spending Review 2004 (SR04) Public Service Agreement 2 customer perception Key Indicators:

- **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 were reported in the Departmental Annual Report and are not therefore the focus of this document.

1.1 Aims of survey

The 2005 Customer Service Survey had two key objectives:

- To help HM Revenue and Customs (HMRC) measure individual and business customers' perceptions of the service they experience from the Department
- To track progress against selected Key Indicators that feed into the HMRC Customer Experience PSA Objective 2 and to provide the final measure for the Inland Revenue SR02 PSA 5 target

The survey seeks customer views on the core process HMRC ask them to undertake and their experience of making contact across a range of channels. The CSS also enables HMRC to understand customer perceptions of the administrative burdens HMRC processes place on them and customers' overall views of dealing with HMRC.

1.2 Method

Since 2004 the CSS has covered thirteen customer groups³. Eight of these are business groups (including Agents), and the remaining five are individuals. Further details of the definition of each group are given in the appendix to this report.

Businesses:

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

³ Although the Inland Revenue and HM Customs and Excise did not formally merge until 2005 the customer surveys of the two departments were combined in 2004

Individuals:

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

In total, 18,607 interviews were conducted among HM Revenue & Customs business and individual customers in 2005. Interviewing took place from October to December 2005 and between 879 and 1894 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 to 20 minutes.

The questionnaires used to interview customers in each of the thirteen groups were similar in structure and were divided into two parts. The first looked at the processes that customers have to undertake for the Department, for example completing the forms and making payments relevant to each customer group. 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. Whilst customers may belong to more than one of the thirteen groups, they were only asked about the processes relating to one group (e.g. customers sampled as corporates were only asked about Corporation Tax processes).

This survey used 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 adequately 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 survey results reflect the profile of the wider population in terms of the quota variable⁴. For example, in the employer customer group quotas were set according to the number of employees to ensure enough interviews were carried out with businesses of a range of sizes. The final data were then weighted back to the size profile of all employers. Sample was selected from HMRC's own customer databases for all groups except employers, corporates and agents. Sample for these groups was sourced from a commercial database.

For the purposes of this survey, employers and corporates identified as having less than 250 employees were defined as SME (Small and Medium Enterprise), and those with 250 employees or more were defined as large businesses. Organisations registered for VAT with a turnover below £1,000,000 were defined as SME (Small and Medium Enterprise),

⁴ Since quota sampling was used, there may be non-response bias in terms of variables other than those used as quotas.

and those with a turnover of £1,000,000 or greater were defined as large. All results are shown separately for these SME and large organisations for these three business customer groups.

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 receive from HMRC, and drivers of satisfaction, together with findings relating to key dimensions of HMRC's customer service. Where measures are used as Key Indicators of HMRC performance, this is indicated. The appendices give details of the definitions of the customer groups surveyed and the number of interviews achieved with each of these groups in 2005.

2 Key results

This report gives an overview of the survey findings across all customer groups surveyed in 2005. This first section focuses on customer satisfaction with their dealings with HMRC concerning the process that they were interviewed about (e.g. Self Assessment, Corporation Tax etc).

2.1 What customers think about dealing with HMRC: satisfaction and issues driving satisfaction

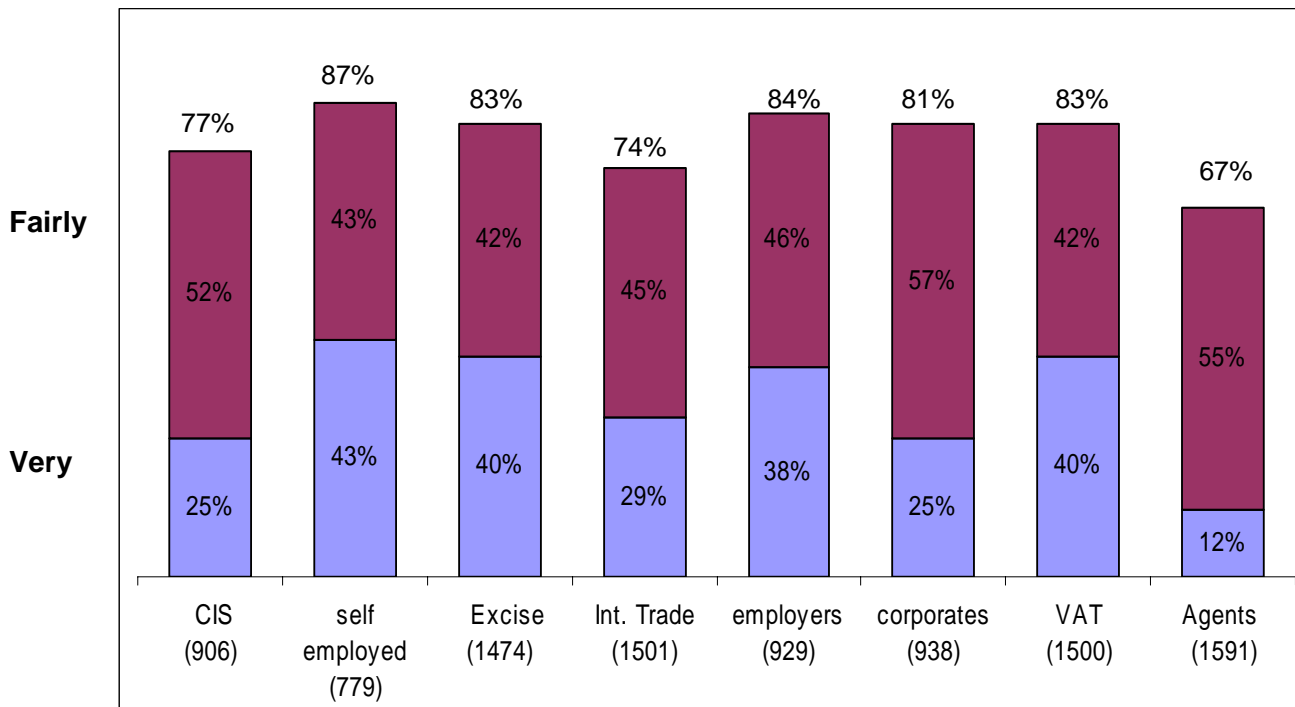
The first section focuses on satisfaction with HMRC in customer dealings about the specific process that they deal with. It must be recognised that satisfaction is a subjective measure and likely to be influenced by outcome. For example, those who get a tax repayment are more likely to be satisfied than those who end up owing money, even if both receive the same 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 research⁵ 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.

In terms of overall satisfaction with HMRC service, around eight in ten businesses (with the exception of Agents and International Trade) were fairly or very satisfied with the service they received from HMRC, with between a quarter and a half very satisfied (Figure 2.1). As in 2004, self employed, VAT and Excise were most likely to be very satisfied. This was lower for corporates and CIS customers, where a quarter of each group were very satisfied and lowest among Agents where only 12% were very satisfied.

⁵ Elam, G & Ritchie, J, Exploring Customer Satisfaction, 1997, DSS research report 63.

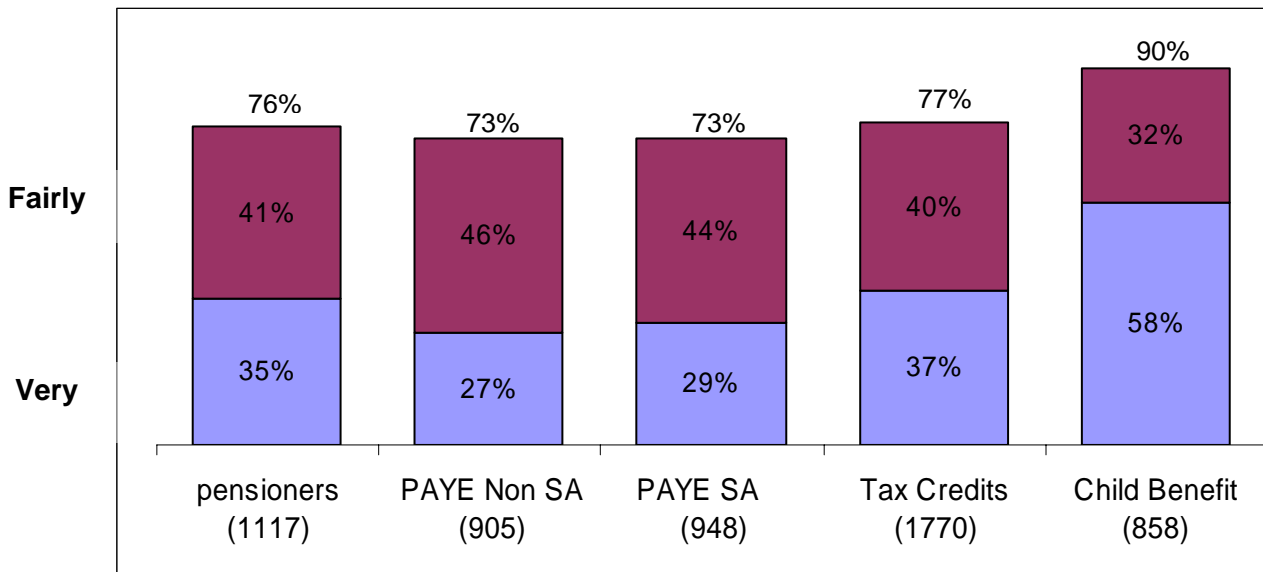
Figure 2.1: Business customers' satisfaction with HMRC



Base: all dealing with own process or contacting HMRC (IR groups) & all respondents (HMCE groups)

With the exception of Child Benefit customers, individual customers' overall levels of satisfaction generally tended to be slightly lower than businesses (Figure 2.2), with around seven in ten customers reporting that they were fairly or very satisfied with the service offered. The most satisfied group, at 90%, was Child Benefit customers, who were also the customer group most likely to be very satisfied (58%). The least satisfied groups were PAYE Non SA and SA customers (both 73%).

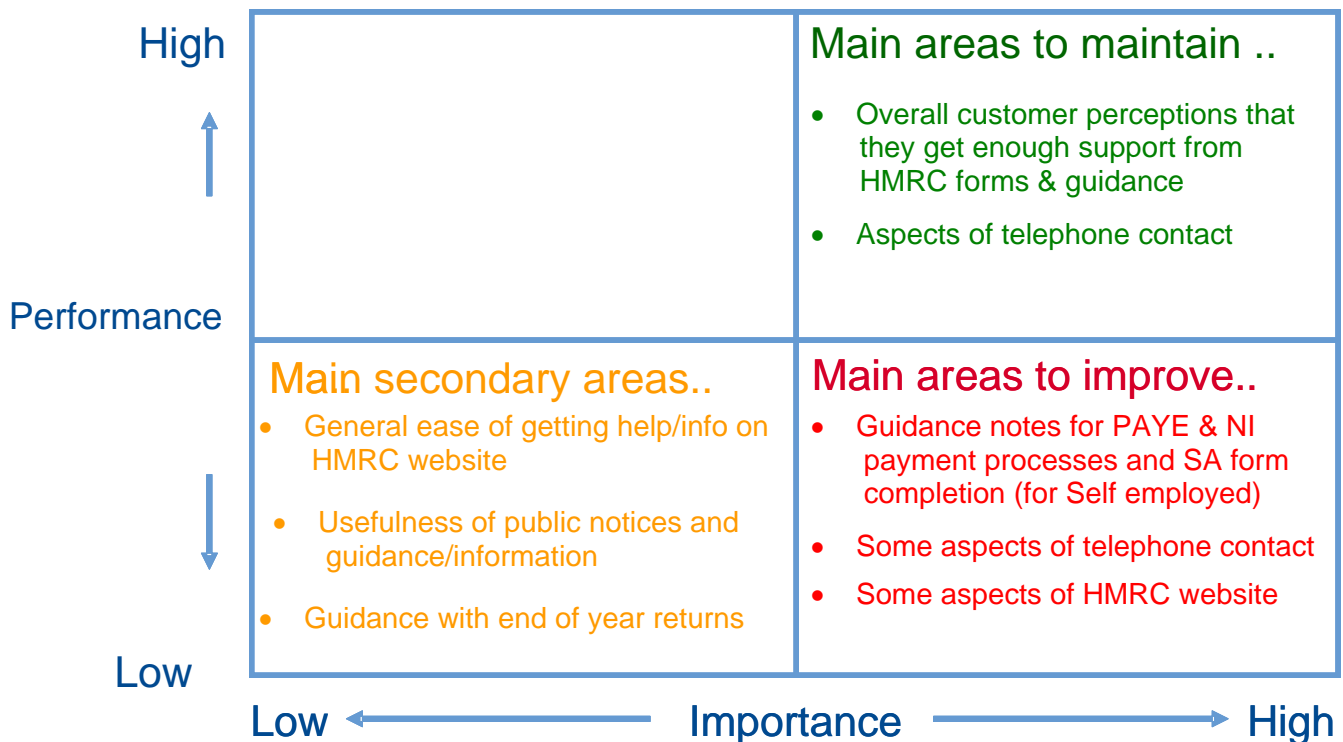
Figure 2.2: Individuals customers' satisfaction with HMRC



Base: all with dealings or contact with HMRC 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. Figures 2.3 and 2.4 summarise the results of the key driver analysis for businesses and individuals. The key driver analysis looks for patterns in the survey data to produce a list of performance issues that drive customer satisfaction with HMRC, 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. Figures 2.3 and 2.4 divide the drivers of satisfaction for businesses and individuals into four quadrants. The key area 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.

Figure 2.3 Drivers of satisfaction for businesses



For business customers, the contact channels used most frequently, particularly the telephone, continued to be closely linked with customer satisfaction in 2005. These telephone issues tended to be of high relative importance to most customer groups' satisfaction but performance on the different dimensions of service varied (for example, customers tended to rate the clarity of the response they received from HMRC by telephone well but rated the overall ease of getting that help or information by telephone less so).

The guidance available to help with key processes was also important in driving satisfaction for business customers although views of HMRC performance against these measures varied. CIS, Excise and International Trade customers generally felt that they were getting enough support overall from HMRC guidance whereas employers, self employed and VAT traders rated HMRC guidance in relation to specific tasks less well.

In 2005, dimensions of customer experience related to the HMRC website influenced performance ratings for six of the business customer groups: CIS, International Trade, employers, corporates, Excise, self employed. In particular, website issues were identified as priorities for improvement among corporates and employers, the business customer groups most likely to use this method of contact. Internet usage has increased steadily over time for most customer groups and is likely to continue to do, so it is important that HMRC focuses on getting its website right.

The key areas of high importance in influencing business customers' satisfaction with the Department, where HMRC performed well (issues to be maintained) were:

- Customer perceptions around whether they got enough support from HMRC forms and guides (CIS, International Trade and Excise); and
- Aspects of telephone contact including clarity of response by telephone, whether HMRC staff member on telephone was helpful and whether the customer got the help/information they needed the first time they contacted the Department (Agents, International Trade, CIS, corporates, employers and self employed).

The key areas for improvement (areas of high importance in driving customer satisfaction with HMRC where performance is relatively low) for businesses were:

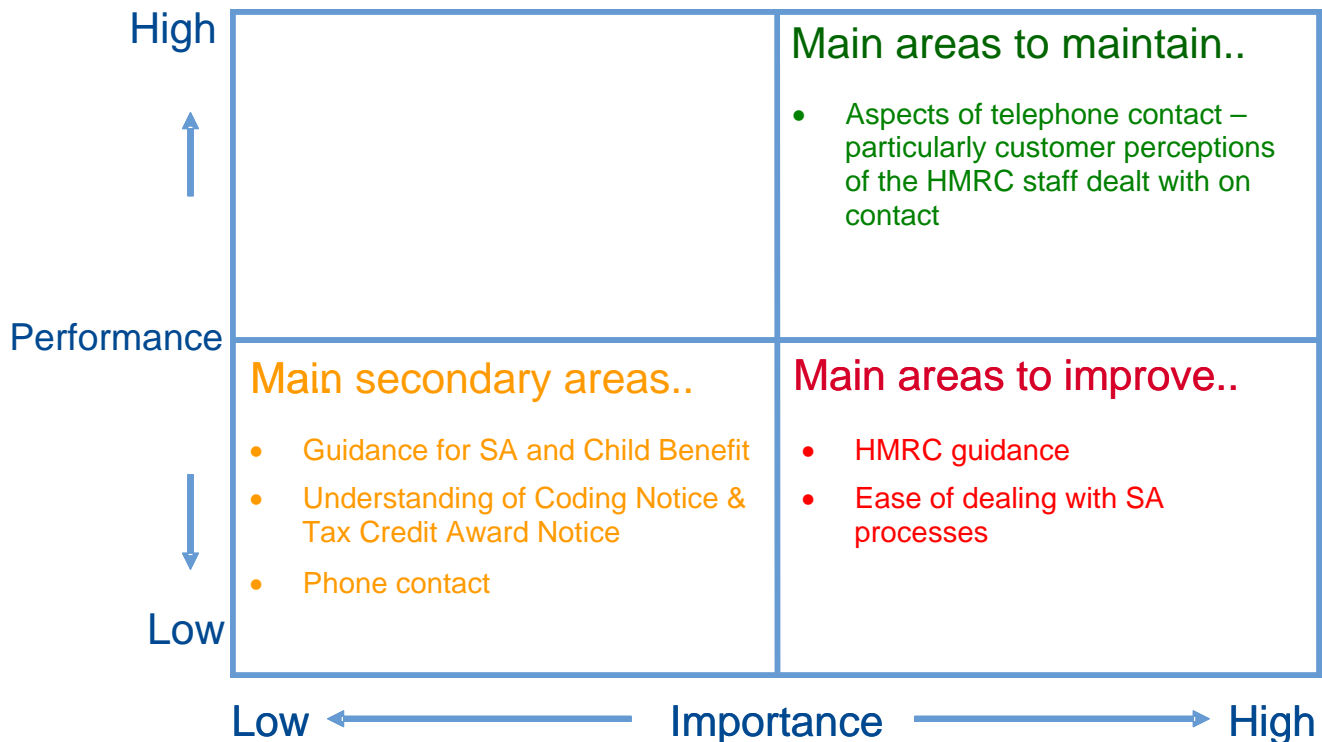
- HMRC guidance for PAYE & NI payment process and SA form completion (self employed)
- Some aspects of telephone contact including overall ease of getting help/info by telephone (CIS, employers, agents and Excise)
- Clarity and usefulness of information on the website (corporates and employers)

The secondary areas for improvement (areas of less importance towards overall customer satisfaction but where performance is still relatively low) were:

- Overall ease of getting help and information on the HMRC website (CIS, Excise, International Trade and self employed)
- Public notices and guidance/information – ease of obtaining and usefulness of (International Trade and Excise; employers and corporates)
- HMRC guidance with end of year returns (corporates, employers and CIS)

For some groups (Agents, VAT, Excise, CIS and employers), overall satisfaction with HMRC service was also affected by how long it took HMRC to deal with customer queries, and the perceptions of the person the customer dealt with (e.g. how knowledgeable, helpful, professional etc). However, the latter issue was more influential as a driver of satisfaction for individual customers (Figure 2.4).

Figure 2.4: Drivers of satisfaction for individuals



As for the business customer groups, the contact channels used most frequently, especially the telephone, continued to be linked with customer satisfaction for individuals. Relative to other issues, performance for the dimensions of customer experience related to the telephone service provided by HMRC was high for individuals customers and stands out as to be maintained when looking at the results for all individuals together. The areas of high importance in relation to HMRC telephone services focused to a large extent on customer perceptions of the helpfulness/professionalism/knowledge of the person the customer dealt with when they telephoned HMRC and also the usefulness of the information provided during the telephone call.

For PAYE Non-SA, pensioner and Tax Credit customers in particular, guidance is a key area for improvement. For PAYE Non SA customers, this focuses on the booklet that accompanies the Coding Notice and for Tax Credit customers the onus is on improving guidance accompanying the Tax Credit application and renewal forms. Guidance is also a driver of satisfaction for SA customers, focusing on the notes used to complete the SA Tax Return. This emerged as a secondary area for improvement for HMRC in 2005.

The key areas of improvement for individuals were:

- Guidance for Non SA and Tax Credit customers
- Aspects of dealing with SA processes

The secondary areas of improvement for individuals were:

- Guidance for SA (focussing on completing the SA Tax Return) and Child Benefit (the application form)
- Customer understanding of the Coding Notice and Tax Credit Award Notice
- Phone contact (Tax Credits and Child Benefit)

2.2 Dimensions of customer service

Six key dimensions of HMRC customer service have been identified by HMRC. These dimensions form the focus of the remaining sections of this report. The coverage of the 2005 CSS was already finalised 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 2005 survey that relate to each key dimension⁶.

| 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) Whether HMRC communicates effectively with its customers |
| 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 | HMRC 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 |

⁶ 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.

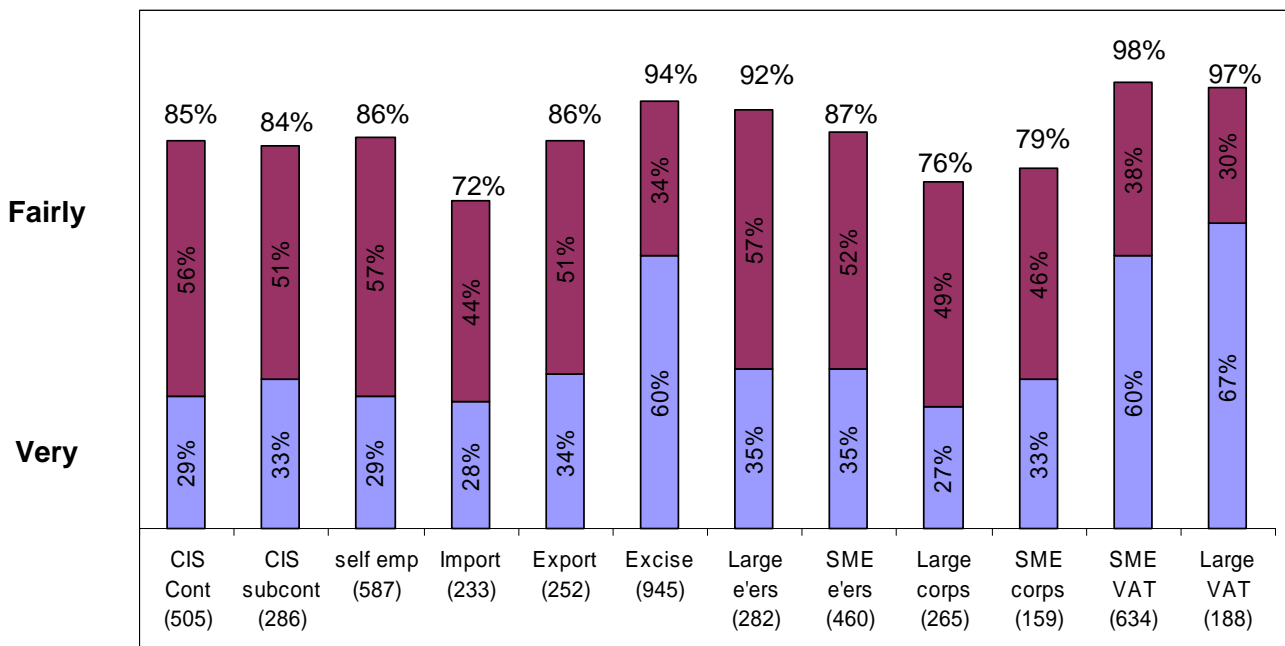
2.2.1 Making things easy

The first of the key dimensions is whether customers believe HMRC makes things easy. This is linked to the aim of HMRC to simplify interactions with customers, and to design processes from their perspective. This section looks at key survey results relating to customer perceptions of the ease of dealing with HMRC for the particular tax they were interviewed about.

In comparison to other business customer groups, VAT customers found the VAT return easiest to complete, with virtually all SME VAT traders (98%) and large VAT traders (97%) saying that they find the VAT return either very or fairly easy (Figure 2.5). VAT customers also tended to report finding the VAT return very easy to complete (60% SME VAT and 67% large VAT). International Trade customers completing an Import declaration reported the lowest levels of ease of completion (72% report finding it very or fairly easy to complete).

In 2005 there was a large increase in the number of self employed customers finding their SA Tax Return very easy to complete (29% in 2005 from 19% in 2004). This drove up the overall percentage of self employed customers finding their SA Tax Return easy to complete from 75% in 2004 to 86% in 2005. The results to this question for small employers, self employed and small VAT traders were used to measure Departmental performance towards its PSA 2 Key Indicator 3 target in 2005.

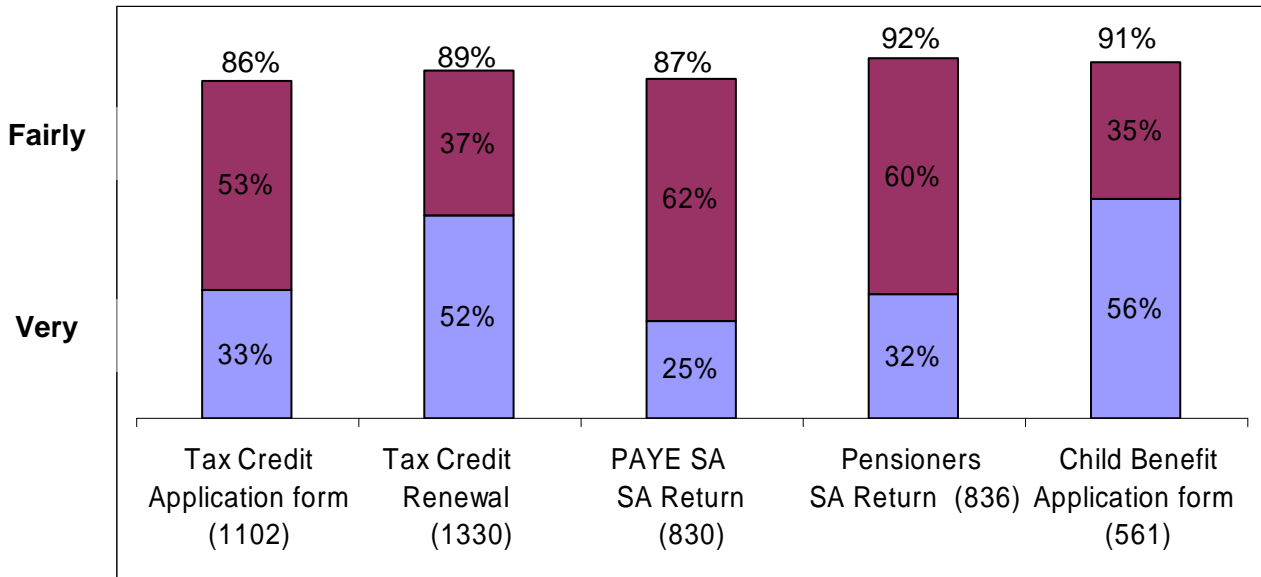
Figure 2.5: Ease of completing key HMRC forms (businesses)



Base: all who complete own form

Around 9 in 10 individual customers who complete their own form for HMRC found this either fairly or very easy to do (Figure 2.6). When taking the fairly and very easy ratings together, ease of completing key forms for individual customers is high across the board, ranging from 86%⁷ for the Tax Credit application form to 92% for pensioners completing their SA Tax Return. PAYE Non SA customers do not routinely complete forms so were not asked this question.

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



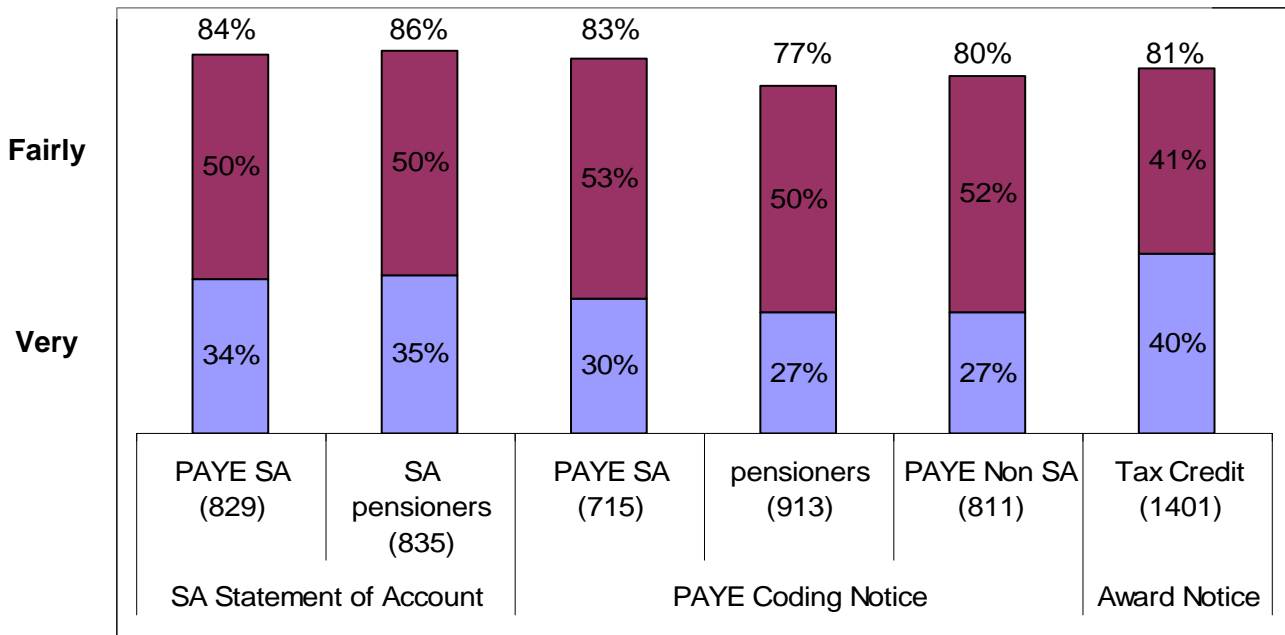
Base: all who complete own form

There was a notable increase in Tax Credit customers' ease of completion of the Tax Credit renewal in 2005. In 2004, 40% of Tax Credit customers who completed their own renewal found this very easy. This increased to 52% in 2005.

Customers are also asked about their understanding of certain key HMRC outputs. 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 shows the results for individuals for 2005. 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.

⁷ The survey only covers Tax Credit customers who have been successful in their application (i.e. they have received a Tax Credit award) – it does not include customers who may have attempted to apply for Tax Credits but who were unsuccessful.

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

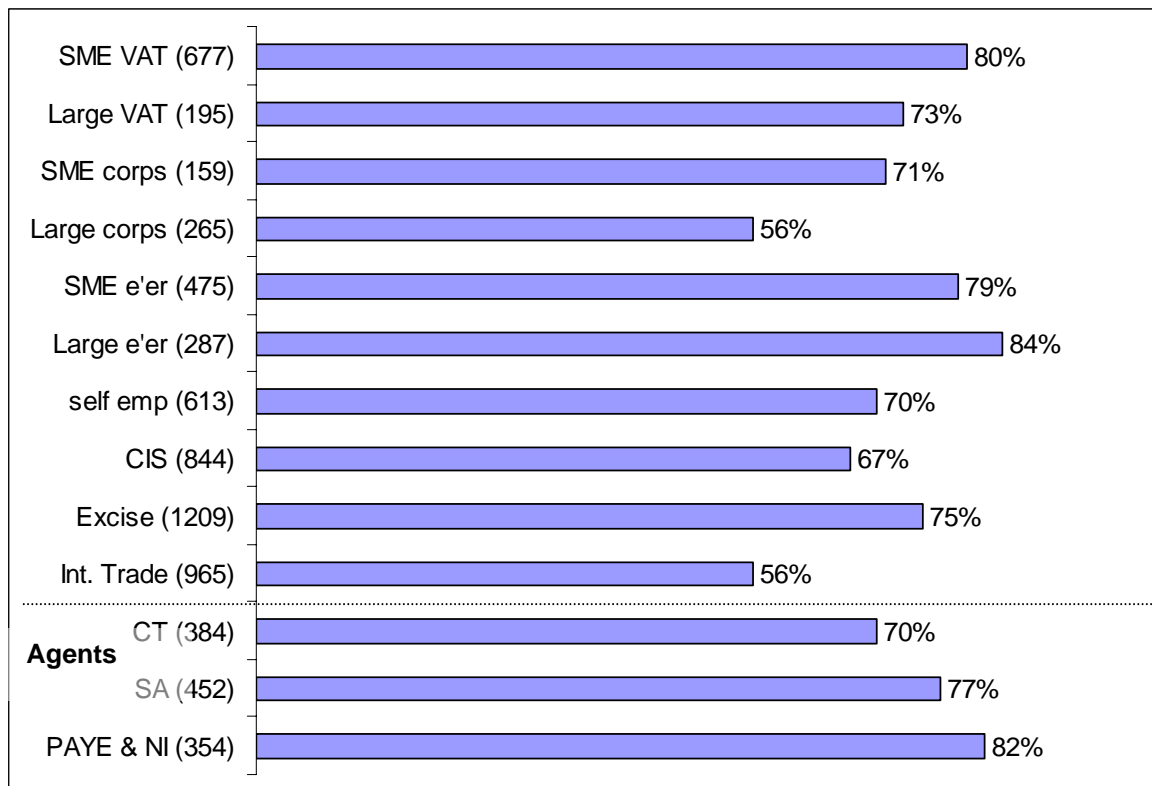


Base: all who check own Statement or Coding Notice/remember receiving Award Notice

Around eight in ten individual customers reported finding the relevant HMRC output either fairly or very easy to understand in 2005. The highest score was for SA pensioners' understanding of the SA Statement of Account (86%) and the lowest was for all pensioners (SA and Non SA) for the PAYE Coding Notice (77%). Three in ten or more customers across all groups found the relevant output very easy to understand. This is highest for Tax Credit customers and the Award Notice where 40% of customers who remembered receiving their Award Notice found this very easy to understand.

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 HMRC, 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 Department provide them with enough support (Figures 2.8 and 2.9).

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

Base: all who deal with some or all of own affairs/all responsible for end of year return

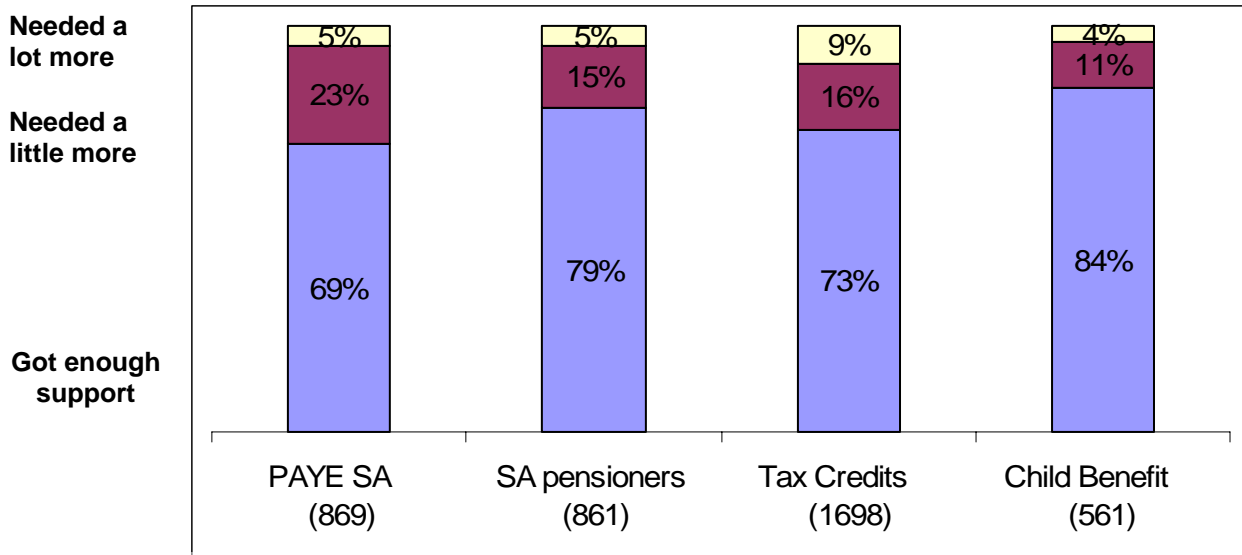
Results for this question tend to vary quite considerably across the customer groups surveyed, ranging from 84% for large employers and 82% for Agents for payroll and NI tasks feeling they got enough support to 56% for large corporates and International Trade (Figure 2.8).

This question was not asked of VAT, Excise, International Trade and Agent customers in 2004 and therefore changes over time cannot be examined. For the remaining four business groups of whom this question was asked in 2004 (employers, corporates, CIS and self employed), the 2005 survey saw increases since 2004 in the proportions of CIS and self employed customers who felt that HMRC forms and guides provided enough support. For CIS customers, this increased from 63% in 2004 to 67% in 2005 and for self employed from 57% to 70%.

For individual customers, seven in ten or more felt they got enough support from HMRC forms and guides (Figure 2.9) in relation to the specific tax they were interviewed about. Child Benefit customers were most likely to feel they got enough support from HMRC forms and guidance, with 84% saying that this was the case. This was lower at three in

four Tax Credit customers, and lowest at two in three PAYE SA customers. PAYE Non SA customers were not asked this question.

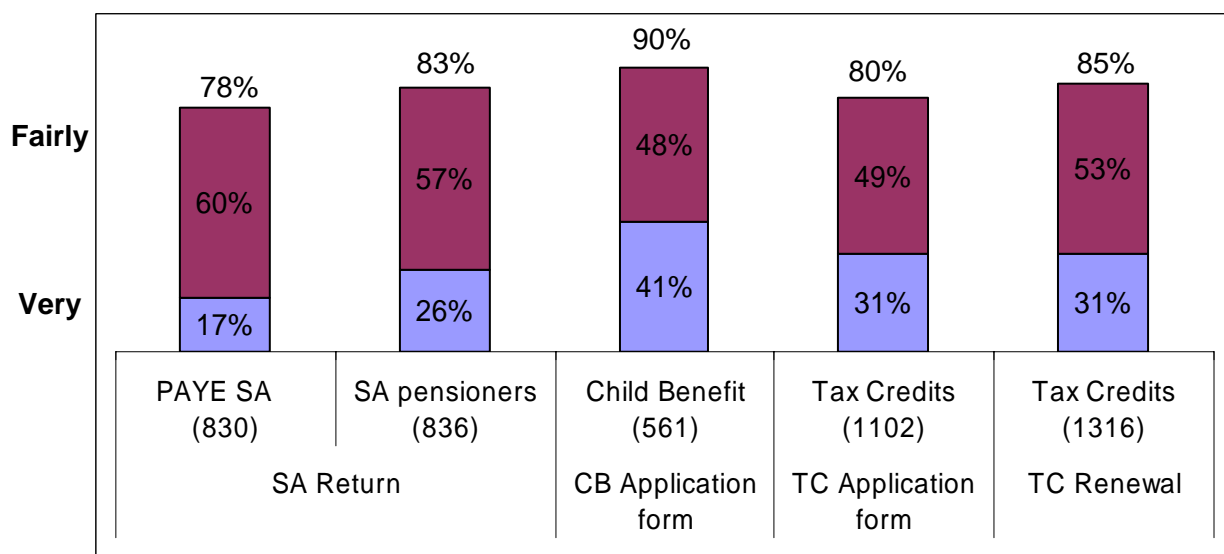
Figure 2.9: Whether got enough support from written guidance (individuals)



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

A similar pattern is evident in individual customers' perceptions of the guidance accompanying key HMRC outputs (Figure 2.10). Again, recent Child Benefit applicants were most likely to find it fairly or very easy to understand the guidance notes with the Child Benefit application form (90%). Those least likely to find the accompanying guidance notes easy to understand were PAYE SA customer when asked about the notes with the SA Tax Return (78% found this guidance easy to understand).

Figure 2.10: Understanding of the guidance accompanying key HMRC forms (individuals)



Base: all who complete own form

How far the customer knows what to do in their dealings with HMRC depends to some extent upon how well HMRC communicates with them. All customers⁸ who had made contact with HMRC in the last year (see section 2.4 for details) were asked to rate how effective they felt HMRC was in communicating with its customers.

Between six and eight in ten business customers tended to agree or agreed strongly with the statement 'HMRC communicates effectively with its customers'. SME VAT (80%) and Excise customers (79%) were most likely to agree. The two groups least likely to agree were Agents (59%) and International Trade (65%). There was an increase in the number of large corporates agreeing with this statement since 2004, where scores rose from 56% in 2004 to 68% in 2005.

Between seven and eight in ten individuals customers agreed that HMRC communicates effectively with its customers. Of the individuals groups covered by the survey, Child Benefit (80%) and pensioner (81%) customers were most likely to agree that HMRC communicates effectively. PAYE SA (68%) Tax Credit customers (74%) were least likely to agree. PAYE Non SA customers were not asked this question in 2005.

2.2.3 Contacting HMRC easily and getting answers

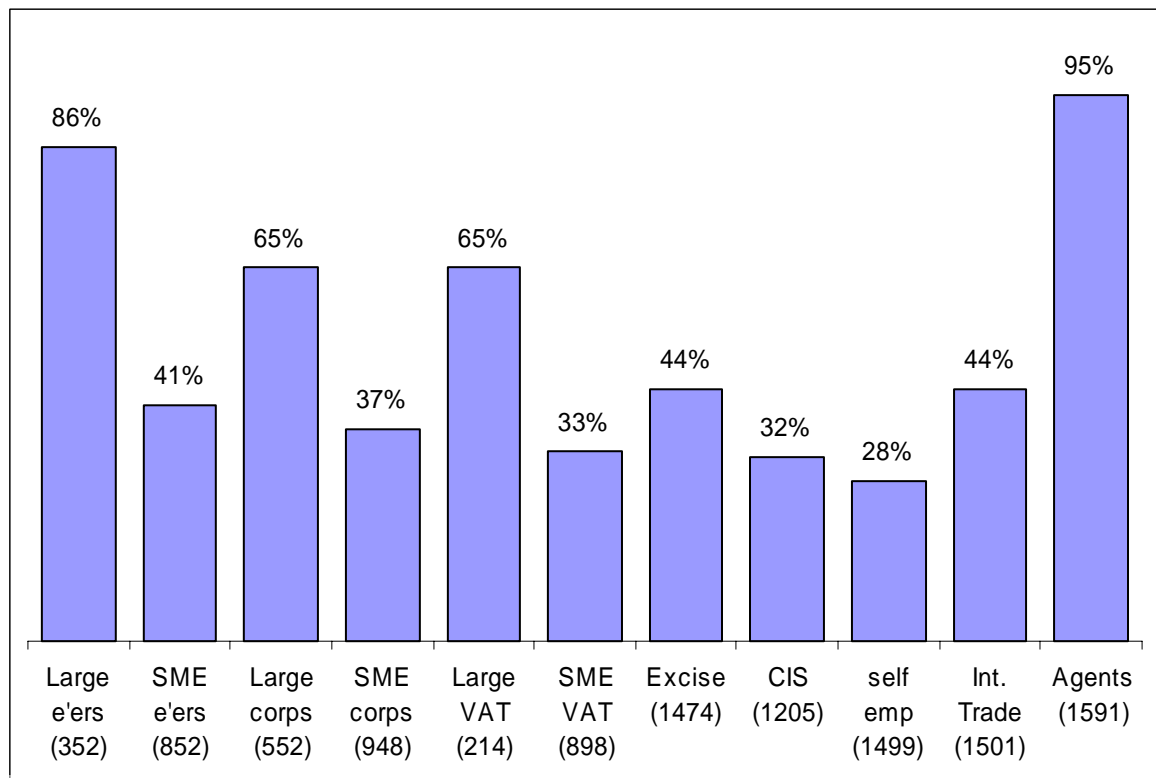
Customers were asked whether they had contacted HMRC in the last 12 months for help or information in relation to the tax tasks relevant to that group (Figures 2.11 and 2.12). This included visits to the HMRC website. Those customers that had made contact with the Department were then asked further questions about their contact experience.

In 2005, the CSS questions around contact were changed so that all customers were asked if they had made contact with HMRC: in the past only customers who handled some or all of their own affairs (i.e. did not hand everything over to an Agent) were asked. This impacts on the ability to compare results over time and therefore comparisons with 2004 have not been made.

Levels of contact with HMRC varied considerably between the CSS customer groups surveyed. For business customers in 2005, Agents (95%) and large employers (86%) tended to have the most contact and self employed the least (28%) (Figure 2.11). Generally there was more contact with HMRC amongst its large business customers than SME.

⁸ Except PAYE Non SA customers

Figure 2.11: Whether made contact with HMRC for help or information in the last 12 months (businesses)



Base: all respondents

Of those businesses that had contacted HMRC in the last 12 months, the most common contact methods were the telephone and website. Few business customers except Agents had used other channels (face to face, letter, email or fax) to contact the Department, with 5% or fewer customers having done so for each channel. The exception to this was self employed and CIS customers who also tended to use face to face contact (11% and 9% of those who had contacted HMRC in the last 12 months had done so face to face). In addition to their use of the telephone and website, a third of Agents, had also faxed the Department, 61% had contacted by letter and 16% had been in touch face to face.

Table 1: Business customers contacting HMRC in the last 12 months - use of telephone and internet ⁹

| CSS customer group | % telephoned HMRC in last 12 months | % used internet to contact HMRC in last 12 months |
|---------------------|-------------------------------------|---|
| Agents | 92% | 85% |
| Corporates | 43% | 83% |
| Self employed | 58% | 54% |
| Employers | 60% | 71% |
| Excise | 75% | 51% |
| VAT | 67% | 61% |
| International Trade | 68% | 67% |
| CIS | 52% | 56% |

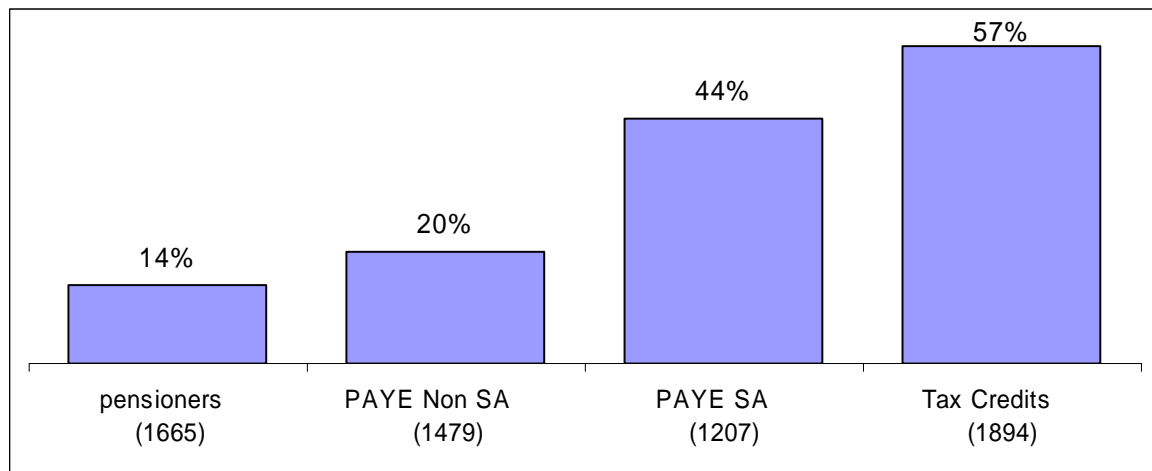
Base: all making contact

Aside from Agents, corporates were most likely to have used the HMRC website to obtain help or information in the previous 12 months (83% of those that made contact) and Excise least likely (51%) (see Table 1). Use of the telephone as a contact method was either as common or less prevalent as use of the internet for most business customer groups. Aside from Agents, Excise customers were most likely to have contacted HMRC by telephone over the previous 12 months (75%) and corporates least likely (43%).

Similarly, levels of contact varied for individual customers depending upon the group surveyed (Figure 2.12). Over half of Tax Credit customers, and approaching half (44%) of PAYE SA customers had made contact with HMRC for help or information (including visits to the HMRC website) in last year. As in previous years, contact levels were lowest for PAYE non SA and pensioner customers. As Child Benefit customers are purposively selected to ensure that enough customers with contact with HMRC over the previous year were surveyed, the results for Child Benefit customers for this question are not provided.

⁹ Percentages shown are the % of customers who had contacted the Department in the last 12 months

Figure 2.12: Whether customer contacted HMRC for help or information in the last 12 months (individuals)



Base: all respondents

In common with business customers, telephone and internet tended to dominate as the chosen contact channels for individuals customers. Of the two, telephone tended to be the more used method. PAYE Non SA, pensioners and, to a limited extent, PAYE SA customers had also used other methods in the previous 12 months. 16% of pensioners with contact, 7% PAYE SA customers and 6% of PAYE Non SA customers had contacted the Department face to face and 12% PAYE Non SA and 10% of the pensioner customers had made contact with the Department by letter.

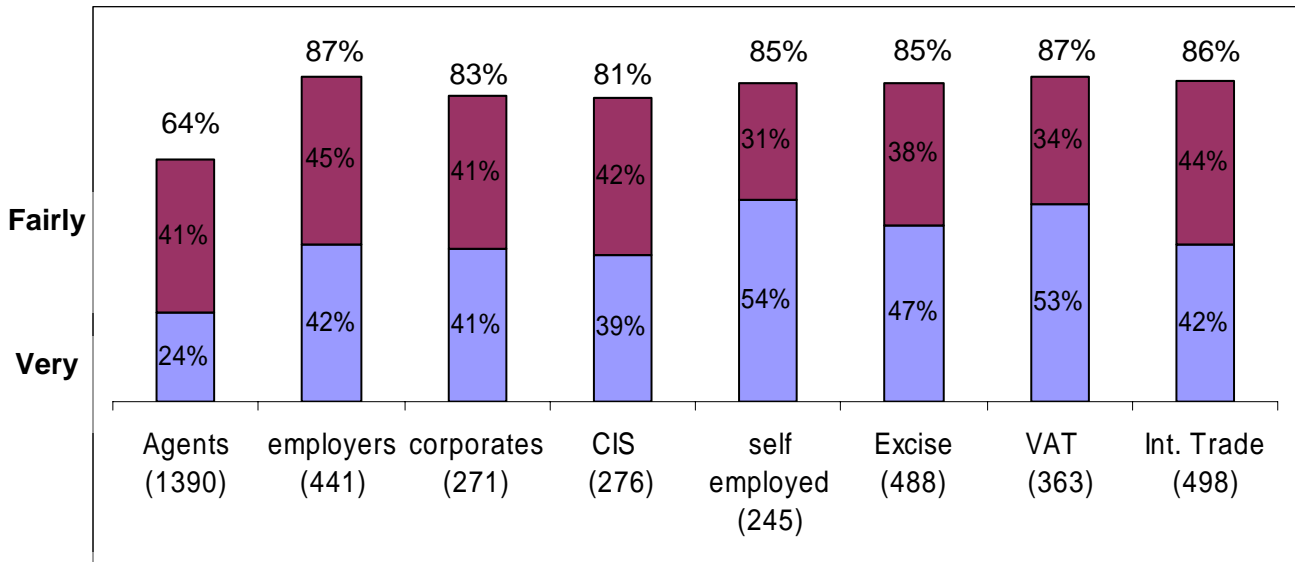
Focussing on the most used channels, telephone and website, Tax Credit customers were most likely to have contacted HMRC by telephone in the previous 12 months (94% of those with contact having used this method), followed by 79% of Child Benefit customers. PAYE SA customers were least likely to use the telephone to make contact with HMRC (52%). Although they used the telephone least, PAYE SA customers were most likely of the individual customer groups to use the website (68%). This was followed by 44% of PAYE Non SA customers. Pensioners were least likely (19%).

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

With the exception of Agents, over eight in ten businesses who had made contact with the Department by telephone in the previous twelve months found it either very or fairly easy to get the help or information they were looking for (Figure 2.13). Self employed (54%) and VAT (53%) customers were most likely to find this very easy. Consistent with the

results for other contact measures within the survey, Agents scored lower with 64% finding it easy.

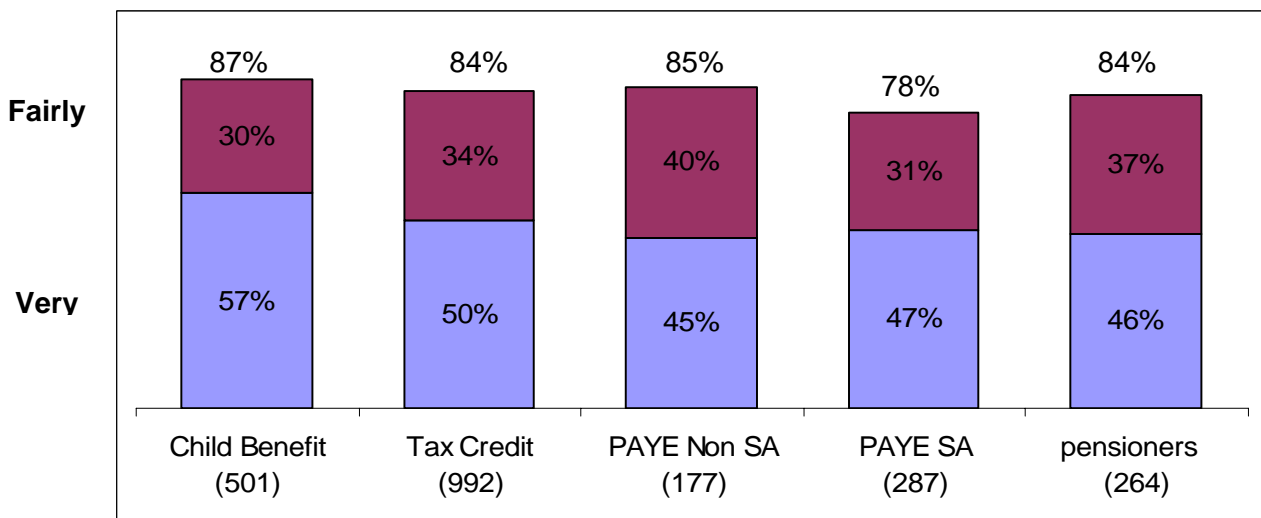
Figure 2.13: Ease of getting help or information by telephone (businesses)



Base: all contacting HMRC by telephone in last 12 months

The results for individuals were similar to that of businesses with around eight in ten finding it easy to get the help or information they needed by telephone (Figure 2.14 below). The lowest scoring group was PAYE SA with 78% of those who had contacted the Department by telephone in the previous 12 months finding it fairly or very easy to do so. This was highest for Child Benefit at 87%. Around a half of each group felt that it was very easy to get help or information by telephone.

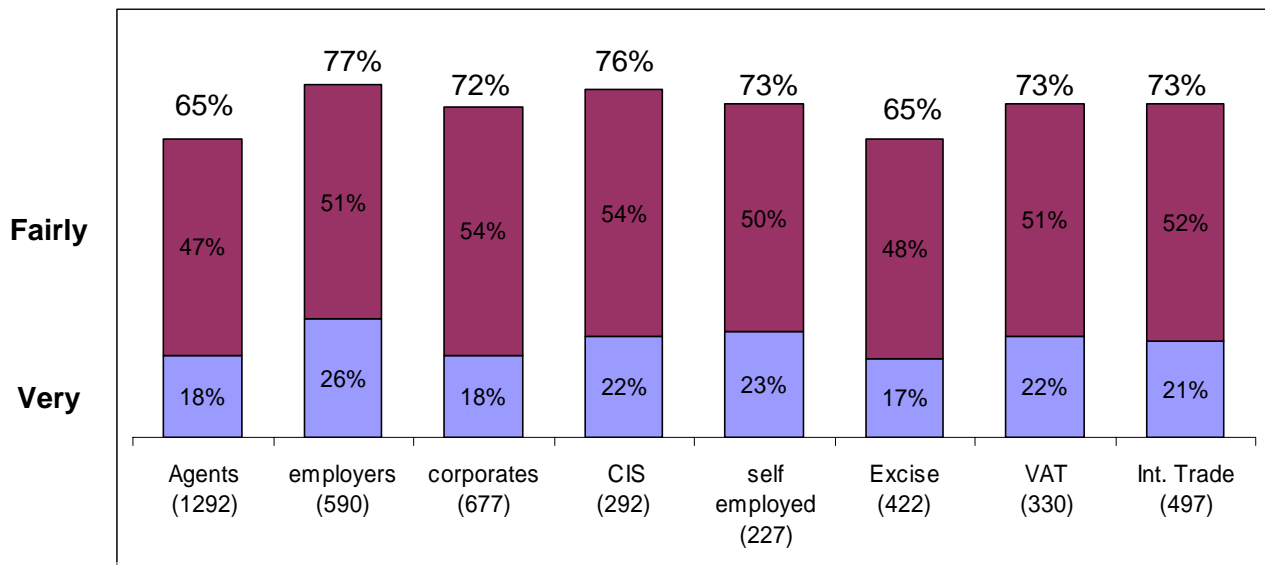
Figure 2.14: Ease of getting help or information by telephone (individuals)



Base: all contacting HMRC by telephone in last 12 months

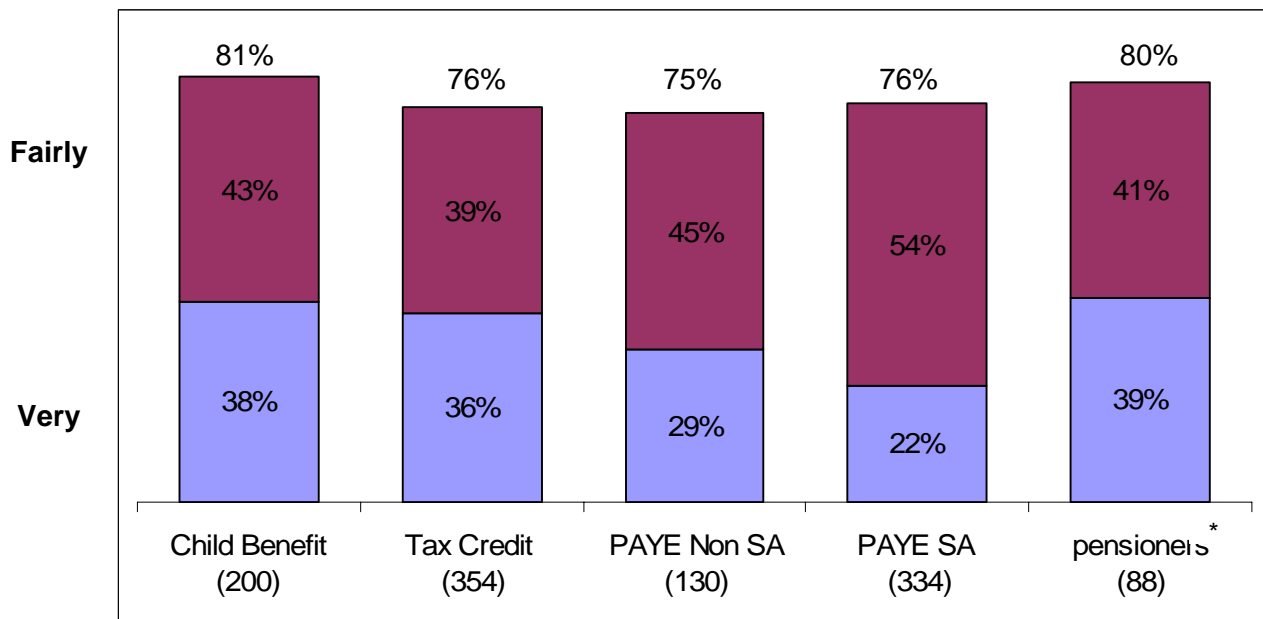
Obtaining help or information on the HMRC website appeared to be slightly less easy than using the telephone. This was the case across all customer groups. Around seven in ten business customers (Figure 2.15) reported finding it easy to get help or information on the HMRC website compared to eight in ten by telephone. Employers (77%) and CIS customers (76%) tended to find the website easiest to obtain information. Again, Agents were the lowest scoring group with 65% finding it easy to get help or information on the HMRC website. Around one in five business customers found it very easy to get help or information on the HMRC website.

Figure 2.15: Ease of obtaining help or information on HMRC website (businesses)



Base: all using HMRC website in last 12 months

Individuals also tended to find it slightly less easy to find help or information on the HMRC website in comparison to telephone (Figure 2.16). Of the individual customer groups, Child Benefit customers found it easiest to get the information they need on the HMRC website (81%), with pensioners following at 80%. As was the case for business customers, the proportion of customers finding it very easy to get the information they needed on the internet was lower than for customers contacting by telephone at between two and three in ten, and PAYE Non SA customers were least likely to find it very easy (22%).

Figure 2.16: Ease of obtaining help or information on HMRC website (individuals)

Base: all using HMRC website in last 12 months

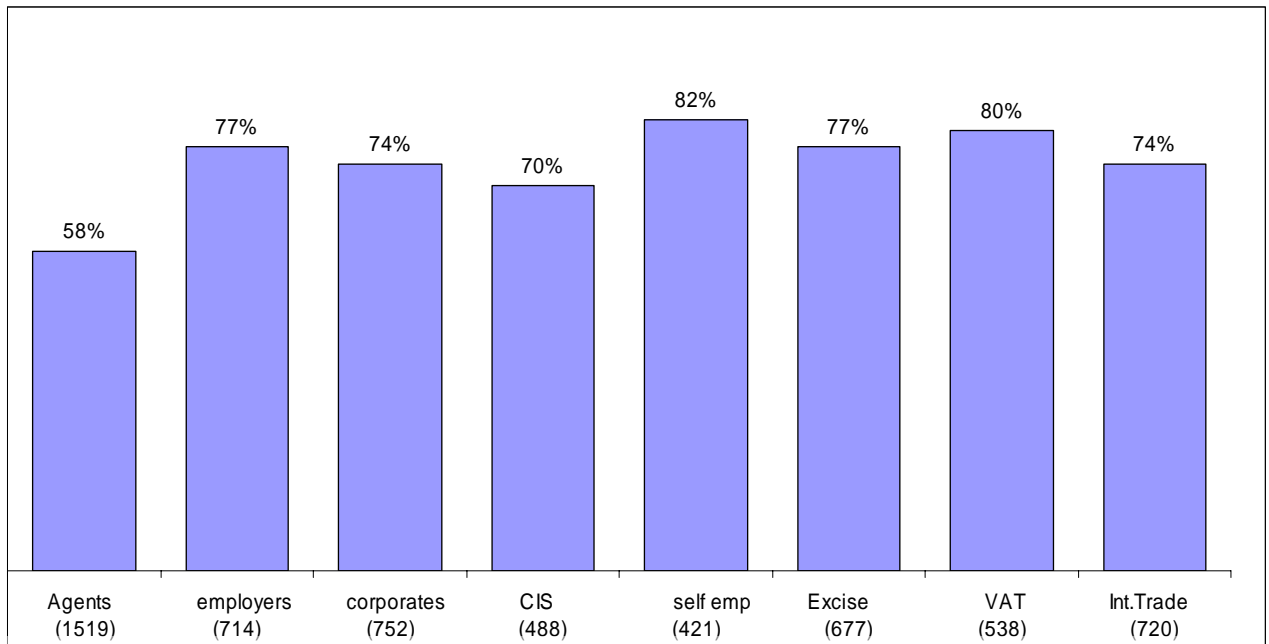
* Caution low base size for pensioners

The 2005 survey provided a measure for the HMRC SR04 Key Indicator covering performance on customer contact (Key Indicator 1). This focused on how far customers felt they got the help or information they needed the first time they contacted the Department.

Among businesses, between seven and eight in ten of those with contact with HMRC (with the exception of Agents) reported getting the help or information they needed on first contact in 2005 (Figure 2.17). Agents report the lowest levels of success first time (58%) and this was also the case in 2004. Self employed customers were most likely to get the help or information they needed first time (82%), followed by VAT customers (80%).

Since 2004, there were changes in the proportion of Agents, corporates and Excise customers getting the help or information they need first time. There was an increase in the proportion of Excise customers getting success at first point of contact with the Department from 69% in 2004 rising to 77% in 2005. This appears to have been largely driven by increases in scores for Tied Oils and Registered Excise Dealers and Shippers (REDS). Agents, consistently the lowest scoring of the business groups, reported less success first time in 2005 compared to 2004 (from 66% to 58%). Corporates getting the help or information they needed first time had also declined from 83% in 2004 to 74% in 2005.

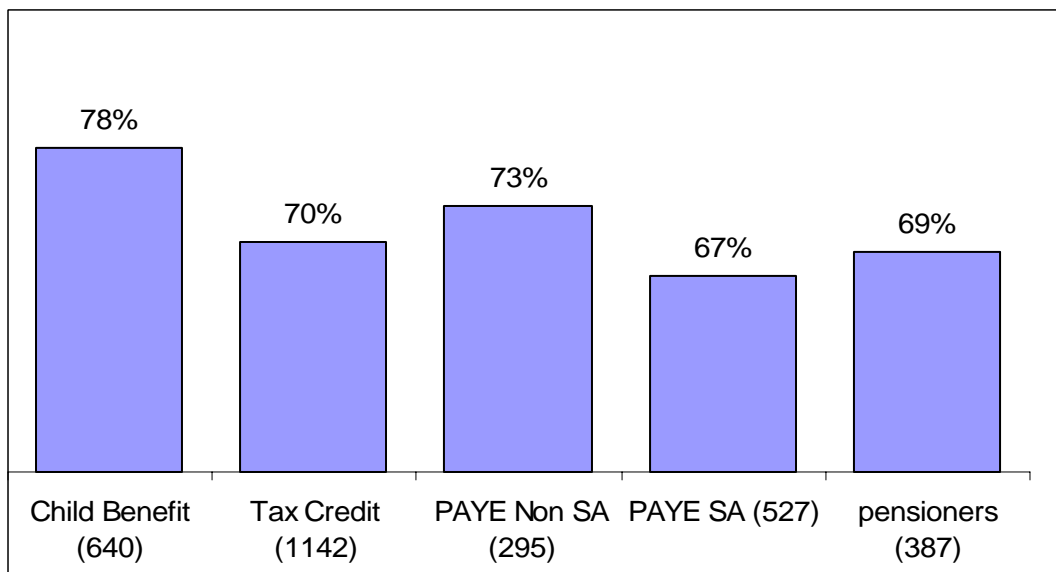
Figure 2.17: Whether got help or information first time (businesses)



Base: all those with contact in last 12 months

Individuals reported similar levels of success first time, with between seven and eight in ten of those with contact reporting that they got the help or information they needed the first time they contacted the Department (Figure 2.18). This was highest at 78% for Child Benefit customers and lowest at 67% for PAYE SA customers.

Figure 2.18: Whether got help or information first time (individuals)



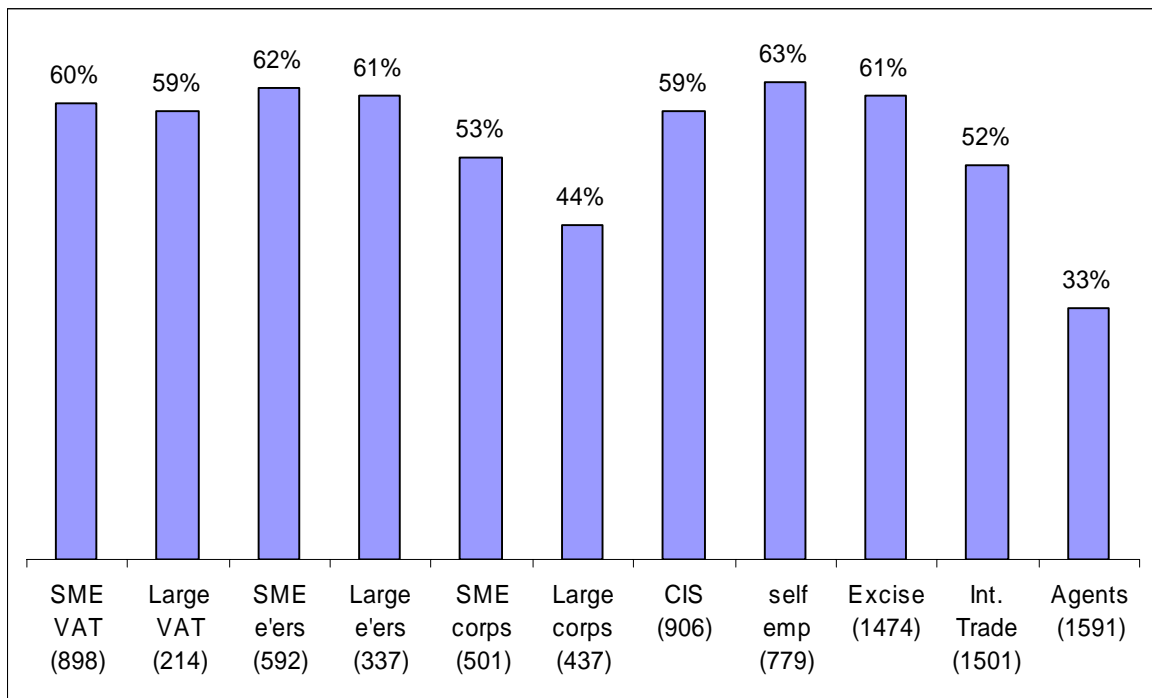
Base: all those with contact in last 12 months

Since 2004 there has been a significant improvement among Tax Credit customers' scores; 67% got success first time in 2004 and this had risen to 70% in 2005.

2.2.3 Feeling well treated

This section looks at how well customers feel they are treated by HMRC and covers how well customers feel HMRC takes their needs and expectations into account in the way it operates.

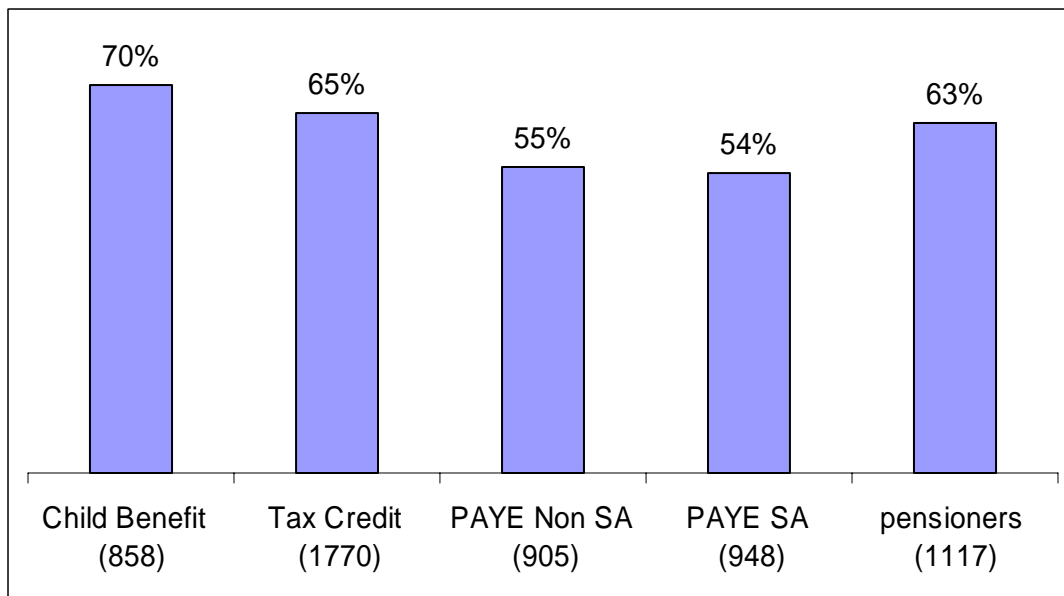
Figure 2.19: Agreement that HMRC takes customer needs and expectations into account in the way it operates (businesses)



Base: all with contact/handling own affairs/completing end of year form (IR); all respondents (ex HMCE groups & Agents)

Around six in ten business customers believe that HMRC takes their needs and expectations into account in the way it operates (Figure 2.19). However, this was much lower for corporates, International Trade and Agent customers. There had been increases in the proportion of large employers (up from 52% in 2004 to 61% in 2005) and SME corporates on 2004 (42% to 53%) agreeing with this statement since to 2004 however, fewer Agents agreed with this statement in 2005 compared to 2004 (2004:40%, 2005:33%).

Figure 2.20: Agreement that HMRC takes customer needs and expectations into account in the way it operates (individuals)



Individual customers' perceptions of how far HMRC takes customer needs and expectations into account in the way it operates were similar to that of businesses (Figure 2.20). Child Benefit customers tended to be most likely to agree with this statement (70%) and PAYE SA (54%) and non SA (55%) customers least likely.

Appendix – definition of customer groups

Businesses:

| Customer group | Definition | No. of achieved interviews |
|------------------------------------|---|----------------------------|
| Employers | Businesses with at least one employee. | 1204 |
| 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. | 1499 |
| Construction Industry Scheme (CIS) | Contractors and subcontractors registered for CIS. | 1205 |
| Excise customers | Those who deal with the following Excise duties within their business: | 1474 |
| | ○ Tied Oils | 140 |
| | ○ Registered Dealers in Controlled Oils (RDCO) | 423 |
| | ○ Beer Duty | 82 |
| | ○ Registered Owners | 310 |
| | ○ Registered Excise Dealers and Shippers (REDS) | 36 |
| | ○ Excise Warehouses | 110 |
| | ○ General Betting Duty | 128 |
| | ○ Aggregates Levy | 82 |
| | ○ Climate Change Levy (CCL) | 100 |
| | ○ Landfill Tax | 81 |
| International Trade | Import and export traders in the UK and import/export Agents. | 1501 |

Individuals:

| Customer group | Definition | No. of achieved interviews |
|--|--|-----------------------------------|
| PAYE Self Assessment | Those in paid employment who pay their taxes under self assessment. | 1207 |
| PAYE non Self Assessment | Those in paid employment who do not pay their taxes under self assessment. | 1479 |
| Tax Credit recipients | Customers who had applied for or renewed their Working Tax Credit or Child Tax Credit application in the past year | 1894 |
| Pensioners (Self Assessed and Non Self Assessed) | Customers drawing a state pension, both Self Assessment and non Self Assessment | 1665 |
| Child Benefit recipients | All customers who had submitted a Child Benefit application or had contacted the Child Benefit office in the last year ¹⁰ | 879 |

¹⁰ 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 HMRC.