

**HM Revenue and Customs
Users of Self Assessment Online in 2005**

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The views in this report are the authors' own and do not necessarily reflect those of HM Revenue and Customs

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1 Executive summary

This summary presents the key findings of the SA Online Users survey conducted by BMRB on behalf of HMRC in 2005. The findings related to each topic are discussed in more detail within the main body of the report. Conclusions and recommendations based on the findings can be found in Chapter 7.

1.1 Background to the Self Assessment Online survey

At the time of the survey around 1.6 million taxpayers filed a tax return online. The current HMRC target is to increase this so that by 2007/8 35% of all Self Assessment tax returns are filed online, the equivalent of 3 million in total.

With this target in mind improvements have been made to SA Online over the last 2-3 years. Firstly the registration process has been updated significantly with a view to making it easier for taxpayers to access the services¹. The functionality of SA Online has also been updated. The online tax return remains largely unchanged but registered taxpayers can also access the following services:

- 'Submit' – the online tax return
- 'Liabilities and Payment' – which provides Users with online statements and details of their liabilities and payments
- 'Self-serve' – includes a facility to change personal details (i.e. address)
- 'Customer Services' – includes facility to communicate with HMRC by email and receive emails in a secure inbox on the website
- 'Pay' – the facility to make payments to HMRC online

1.2 Objectives of the research

The main aim of the research was to *'generate findings to ensure that HMRC understands the needs of unrepresented Users of SA Online services'*. The **survey had a number of specific objectives which are discussed further in** Chapter 2. However the three main objectives of the research were:

¹ Registration is the subject of a separate report by BMRB. Registration for SA Online in 2006 – A survey of new registrations for SA Online conducted by BMRB on behalf of HMRC

- To profile and segment unrepresented individual taxpayers who use SA Online services
- To establish Users' needs and preferences in respect of SA Online services currently available
- To determine Users' perceptions of the benefits of using SA Online services

The report therefore focuses on individual unrepresented SA taxpayers; i.e. taxpayers who do not use an accountant or other professional to complete the tax return each year.

1.3 Survey design

A main quantitative survey was carried out among taxpayers who had already registered for SA Online and filed at least one tax return online. In total 2,011 Users of SA Online were interviewed between November and December 2005. Interviewing a large number of Users using a quantitative method provides robust measures of Users' experiences of attitudes towards SA Online.

In addition a piece of qualitative research was carried out to gain a more in-depth understanding of how Users of SA Online feel about filing online and the range of services that are on offer. This involved one-to-one interviews with 30 taxpayers who had previously taken part in the quantitative survey and were guided through a dummy version of SA Online. This 'accompanied surf' was used to guide a depth interview with each of the taxpayers who took part. Qualitative research was carried out so that researchers could actually sit down with Users and show them screen shots from SA Online services. This allowed greater in depth discussion about the look and feel of the SA Online web pages. In contrast, the quantitative research relied on Users' recall of the SA Online the last time they had used the website.

1.4 Profile of Users

Self Assessment taxpayers are a relatively homogenous group so the differences between Users of SA Online and taxpayers who continue to file on paper are subtle. However, compared to individual SA taxpayers generally, Users of SA Online are different in a number of respects. They are:

- More likely to be male
- Younger – less likely to be aged 60 or over
- More likely to be employees - 67% are employed compared to 49% of SA taxpayers generally
- More likely to have completed SA tax returns for a longer period of time (43% have completed a tax return for more than 5 years)

1.5 Technology and the Internet

Users of SA Online are highly sophisticated users of the Internet both in their own right and when compared to the wider British population who use the Internet. Nearly all Users have access to the Internet in their own home; including 79% who have broadband access at home. Furthermore, 81% already use the Internet to bank online, which is nearly three times the proportion of British Internet users who currently bank online (32%).

Users can be segmented according to their attitudes towards technology based on the answers they gave to a series of statements about technology and the internet. The vast majority of SA Online Users can be described as 'technophiles'. Their attitudes towards technology can be summed up by three statements which nearly all Users agreed with:

- I try to keep up with developments in technology
- When I need information the first place I look is the Internet
- Using electronic communications is the way forward

Although Users of SA Online were very positive about the Internet, two-thirds (67%) agreed that they were concerned about giving personal financial information over the Internet. Although they adopt new technology and manage their finances online, security remains a genuine concern.

1.6 SA Online Services

Many SA Online Users said they had first become aware of SA Online through information contained in HMRC literature (such as leaflets, letters or actually on the paper tax return itself). While TV adverts were also mentioned by 21% of Users the survey shows the most effective method of promoting SA Online is through the direct lines of communication that already exist between HMRC and SA taxpayers.

Perceptions of SA Online Services were extremely positive:

- 95% indicated they definitely or probably would use SA Online again in future
- 75% said they were extremely or very likely to recommend SA Online to other SA taxpayers they knew
- 92% said that SA Online Services were easy to use
- 95% were satisfied with the experience of using SA Online Services

Users' perceptions were linked with their experiences of filing online; Users who had experienced problems with filing online rated SA Online more negatively than those who did not. There is also a link between rating scores for the online tax return (e.g. ease of use) and perceptions of SA Online generally. Users who rated the online tax return highly also rated SA Online highly. This suggests for many taxpayers the online tax return and SA Online are synonymous, whereby Users tend to use HMRC SA Online Services primarily to file their return online.

1.7 The Online Tax Return

When fieldwork was carried out, 58% of Users had already submitted their tax return (for the 2004/5 tax year). With fieldwork taking place in November and December this meant 44% of all Users had filed before the early filing deadline (30 September 2005). This is a relatively small proportion compared to the SA taxpayers generally. HMRC figures indicate that around 45% of SA taxpayers submitting a paper tax return met the early filing date in September 2005.

In total 96% of all taxpayers interviewed had completed their last tax return online or intended to complete it online. Just 2% of SA Online Users said they would complete or had completed a paper return. Most of these Users indicated the reason for completing or intending to complete a paper return was either: because of a problem with their Internet connection / computer; the online form not having all the pages they needed to complete due to more complex tax affairs or; deciding to use an accountant in future.

On the last occasion they had filed online just 7% had used a piece of commercial software instead of using the free HMRC online tax return. Taxpayers who used commercial software generally did this because they had types of income which could not be recorded on the HMRC online tax return.

Users of SA Online were very positive about filing online. 94% said the last time they had submitted a tax return online the process had been easy (50% saying very easy). 95% also said they had been satisfied with the overall process and were confident that their tax return had been processed correctly the last time they had submitted online.

Positive opinions of SA Online appear to increase with repeat use. Taxpayers who had submitted online tax returns for three or more years rated the process more highly than those who had submitted online for one or two years. They also tended to complete the online tax return more quickly on average. This suggests some of the benefits of registering to use SA Online probably are long-term.

Overall opinions of the online tax return were linked with whether Users had experienced a problem the last time they filed online. Those who had experienced a problem were more likely to rate the process of filing online as difficult; were less satisfied with the process and were less confident that their tax return had been processed correctly.

1.8 Problems with the Online Tax Return

Despite rating the online tax return very highly a quarter (28%) of Users had encountered a problem or difficulty the last time they had submitted online. Problems encountered were wide ranging but those most commonly experienced were (in order of frequency mentioned):

- Problems with the HMRC site or server
- The language being unclear / difficult to understand
- General problems submitting the return (not specified further)
- Problems navigating around the online tax return

1.9 Time taken to file online

Three-quarters of Users (75%) thought that completing an online tax return took less time than completing a paper return. This was also the most

common perceived benefit of filing online with 44% of all respondents saying that filing online was quicker / saved them time.

The average time taken to complete the online tax return (the last time they had used it) was approximately 70 minutes. This includes taxpayers who took several hours in total and those who took several sessions to complete the online tax return. Most taxpayers actually completed the online tax return a lot quicker than this with 30% taking 30 minutes or less and more than 60% taking an hour or less.

Time taken to file online seemed to decrease with experience. Users who had completed one online tax return took 85 minutes on average compared to 67 minutes for those who had completed two or more online tax returns. Along with this, for those with tax affairs that remain unchanged, filing yearly returns means tax payers become more familiar with the information required to complete their tax return and are therefore able to complete in a shorter amount of time.

1.10 Suggested improvements to filing online

All Users of SA Online were asked what they would change to improve the process of submitting a tax return online. A third (34%) made no suggestion instead choosing to make a general positive comment about the online process (e.g. 'nothing – fine as it is'). Suggestions were wide-ranging but five key themes emerged (shown here in order of frequency mentioned):

- Simplify the registration and log in process for SA Online
- Improve navigation between sections of the tax return
- Simplify the language used throughout SA Online
- Improve the help facility
- Extend the online tax return to cover all types of income ²

1.11 Additional SA Online Services

While all Users of SA Online had filed at least one tax return, many had not explored the additional functionality of the suite of SA Online services. The

² The final suggestion was the most popular suggestion among Users with complex tax affairs. Taxpayers with complex tax affairs are the most likely to have types of income that the online tax return does not cater for.

majority of taxpayers were aware of three of the additional functions of SA Online:

- 'Pay' – had made a payment online
- 'Self-serve' – had changed their personal details online
- 'Customer Services' – had received notifications by email (when their tax return had been received)

Uptake of the additional services was quite low. Half (53%) of all Users had received notifications by email, for example to indicate when their tax return had been received (available through 'Customer Services'). However, relatively few Users had explored any of the other functions of SA Online:

- 26% had used the 'Pay' function to make a payment online
- 19% had used 'Liabilities and Payments' to view statements / liabilities online
- 15% had used the 'Self-serve' service to change their personal details online
- 11% had used the secure inbox which is available through 'Customer Services'
- 8% had communicated with HMRC via email (through 'Customer Services')

Interest in each of the services was high considering the low levels of uptake. Taxpayers who had not used each of the services were asked whether or not they would be interested in using them in future if the need arose. The majority of Users asked were 'very' or 'fairly' interested in using each of the services. Interest was greatest for:

- Changing personal details online (68% very interested)
- Receiving email notifications (50% very interested)
- Communicating with HMRC via email (40% very interested)

Taxpayers who had used the additional services were positive about their experiences. The majority thought that the services they had used were 'very' useful and were 'very' or 'extremely' likely to use them again in future.

There was a definite sense that Users of SA Online like to manage their tax affairs online and avoid unnecessary paperwork. Only a quarter (28%) of Users said they preferred to receive hard copies of statements of account via post. 37% said they preferred online statements with a further 35% saying they had no preference.

1.12 Overall conclusions and recommendations

The findings from the research were very positive. Users were positive about SA Online and felt there were a number of benefits to completing their tax returns online.

Compared to SA taxpayers generally, Users were more likely to be: male, younger (less likely to be aged 60 or over), in employment and to have completed tax returns for longer. Users were also extremely positive about technology and used the Internet for a wide range of purposes including online banking.

Users were positive about SA Online Services generally and the online tax return more specifically. The vast majority of Users intended to use SA Online and the online tax return again in future. However, Users suggested a number of areas for improvement including improving the navigation between the pages of the online tax return and SA Online website generally.

The online tax return is seen as the core function of SA Online. Use of the additional services was limited. While a half of all Users had received email notifications uptake of the other services was low. That said interest in using additional services in the future was high. HMRC might consider how to promote the additional services to Users of SA Online.

Users thought there were three main benefits of completing a tax return online: it being quicker than the paper tax return, receiving an automatic tax calculation when and, it being easier than completing a paper return.

The speed and ease of use of completing a tax return online seem to improve with experience. Users who had completed two or more online tax returns were quicker at completing their last tax return than Users who had completed online just once. It may be possible for HMRC to promote SA Online using findings from the research. HMRC could emphasise that, although it may take time to register for SA Online, using SA Online could save them time in the long-term.

2 Introduction

All government departments work to Public Service Agreements which include targets to promote and develop the services they offer electronically. HMRC currently offers a wide range of electronic services to individual taxpayers, corporate / business customers and accountants / tax professionals.

This report looks at research carried out by BMRB Social Research into Self Assessment (SA) Online services. These are the online services currently available to individual taxpayers who register for SA Online. All taxpayers included in the research were individual and unrepresented - that is, they completed their own tax return rather than enlisting the help of an accountant or other tax professional.

SA Online has been available since 2000 and the number of tax returns that are submitted online has increased steadily since then. The current HMRC target is to have 35% of all SA tax returns filed online by 2007/8. The most up-to-date figures indicate that around 23% of all SA taxpayers filed a tax return online in 2004/5.

With this target in mind improvements have been made to SA Online over the last 2-3 years. The registration process has been updated with a view to making it easier for taxpayers who are new to SA Online to access the services³. Secondly the functionality of SA Online has also been expanded. The online tax return remains largely unchanged but registered users can now also access the following services:

- 'Submit' – the online tax return
- 'Liabilities and Payment' – including online statements
- 'Self-serve' – including changing personal details
- 'Customer Services' – including communicating with HMRC by email and receiving emails in a secure inbox on the website
- 'Pay' – to make payments online

The research comprised a quantitative survey and a smaller follow-up piece of qualitative research. Both the quantitative and qualitative research focused on the online tax return and the range of services that are on offer to a taxpayer once they have registered for SA Online. The registration process itself was

the subject of a second quantitative and qualitative study carried out by BMRB for HMRC. A separate report is available for the registration survey.

2.1 Objectives of the research

The overall aim of the survey was to:

- *‘Generate findings to ensure that HMRC understands the needs of unrepresented users of SA Online services’.*

Within this overall aim there were four key objectives of the research:

- To profile and segment unrepresented individual taxpayers who use SA Online services
- To establish Users’ needs and preferences in respect of SA Online services currently available
- To establish Users’ needs and preferences in respect of SA Online services to be developed in the future
- To determine Users’ perceptions of the benefits of using SA Online services

2.2 Key definitions

Before discussing the research findings it is important to clarify the meaning of key terms used throughout this report:

Users

For the purposes of this survey Users were taxpayers who had (according to HMRC records) registered for SA Online and completed at least one tax return online at some point in the past.

Self Assessment (SA) Online

SA Online refers to the online tax return and the additional range of services which are available to taxpayers once they are fully registered.

2.3 Survey Design and Methodology

The research consisted of a large quantitative survey with a smaller qualitative stage which is described later in the introduction.

³ Registration is the subject of a separate report by BMRB. Registration for SA Online in 2006 – A survey of new registrations for SA Online conducted by BMRB on behalf of HMRC

For the quantitative survey a sample of SA taxpayers who had registered for SA Online and had filed at least one tax return online was provided by HMRC. BMRB completed 2,011 interviews with taxpayers who had used the SA Online services between November and December 2005. All interviews were conducted over the phone. Interviewing a large number of Users using a quantitative method provides robust measures of Users' experiences of attitudes towards SA Online.

2.4 Questionnaire development

The questionnaire was developed by BMRB research staff in conjunction with a Steering Group consisting of researchers from HMRC's Performance & Customer Experience team and colleagues responsible for operational aspects of SA Online.

The questionnaire was developed after a detailed meeting and demonstration of the services currently available to Users of SA Online. This meeting was held to ensure that all members of the project team had a clear understanding of what SA Online Services currently offer to taxpayers.

The questionnaire was piloted among a small number of Self Assessment taxpayers who had experience of filing at least one tax return online. The pilot was carried out in October 2005 and consisted of 30 interviews. Results from the pilot were used to refine the content and structure of the final questionnaire.

The questionnaire used in the main stage of the research can be found in the Appendix to this report along with a copy of the advance letter sent to taxpayers.

2.5 Analysis

Through out the report, most results are based on cross-tabulations of the survey data (computer tables of each survey question analysed by key variables such as number of years submitted a tax return).

2.6 Note on interpretation

The total number of taxpayers interviewed for the 2006 survey was 2,011. This is a respectable number, and gives a robust sample to comment on. In addition, the sample was selected at random. We feel confident that the survey results are representative and reasonably reflect the population of

unrepresented users of SA online services. Further discussion of these points is provided in the technical annex.

Throughout the report results are presented in summary tables and charts, with commentary based on these. In some cases the commentary includes a more detailed breakdown of the results which are not shown in the summary tables.

2.7 Qualitative follow-up

In order to explore customer experiences of the SA Online registration process in greater depth, a small scale qualitative study was also undertaken. This involved one-to-one interviews with 30 taxpayers who had previously taken part in the quantitative survey and were guided through a dummy version of SA Online. This 'accompanied surf' was used to guide a depth interview with each of the taxpayers who took part.

Qualitative research was carried out so that researchers could actually sit down with Users and show them screen shots from SA Online services. This allowed greater in-depth discussion about the look and feel of the SA Online web pages. In contrast, the quantitative research relied on Users' recall of the SA Online the last time they had used the website. Users' responses from the qualitative research are quoted verbatim in the report to illustrate the main findings from the research.

The qualitative follow-up study was undertaken with 30 SA Online Users, split equally between employed and self-employed taxpayers. Users were pre-recruited for the qualitative research to ensure taxpayers were included who had used each SA Online services: Liabilities & Payment, Self-serve, Customer Services and Pay facilities.

2.8 Quote attributes

Throughout the report quotations from the qualitative research have been provided to illustrate issues where necessary. Taxpayers in the qualitative research were given various attributes which can be seen after each quotation. Attributes given are gender, employment status (self-employed, employed or both self-employed and employed) and complexity of tax affairs (Complex or simple). Taxpayers with complex affairs are those who have income from sources that can not be recorded on the standard online tax return.

2.9 Structure of the report

The remainder of the report deals with the findings from the research.

- Chapter 3 provides an overview of Users of SA online including their demographic profile, details of their income / tax affairs and their use of the internet / attitudes towards technology
- Chapter 4 looks at Users' perceptions of SA online services; taking into account the online tax return and the whole range of services that are on offer to taxpayers once they have registered for SA online.
- Chapter 5 examines all aspects of the online tax return including ease of use, perceived benefits, time taken to file, problems incurred and suggested improvements
- Chapter 6 looks at each of the additional services that are available to users of SA Online with the exception of the online tax return itself.

Chapter 7 summarises the key findings and recommendations which can be drawn from each of the elements of the research

3 A Profile of SA Online Users

This chapter offers an overview of Users of SA Online as a group including:

- Their demographic profile
- Details of their income / tax affairs
- Their use of the Internet / attitudes towards technology

Where possible comparisons are drawn between SA Online Users and the population of taxpayers who complete a SA tax return. As described in the Introduction, Users were defined as taxpayers who had registered for SA Online and completed at least one tax return online at some point in the past. HMRC only hold basic demographic data on SA taxpayers. Reliable information is only available for the sex, age and income of taxpayers. This means the comparisons we can draw between Users of SA Online and SA taxpayers are limited. Age and sex of Users compared with SA taxpayers is summarised in table 3.1.

Table 3.1 Demographic profile of Users and the SA population

Base: All Users of SA Online (2,011)	Users (%)	SA taxpayers (%)
Male	72	28
Female	70	30
Under 30	5	7
30-39	27	23
40-49	28	26
50-59	24	23
60 or over	15	21

72% of Users are men compared with 70% of all SA taxpayers. While this difference is small it is significant – male SA taxpayers are more likely than female SA taxpayers to be Users of SA Online.

Users have a similar age profile to SA taxpayers generally but are more likely to be aged between 30 and 59. They are less likely to be aged 60 or over than SA taxpayers and less likely to be aged under 30. Just 15% are aged over 60 compared to 21% of SA taxpayers. In this sense Users of SA Online are more homogeneous than SA taxpayers generally.

The difference in age profile is partly related to Internet usage and attitudes towards technology. Internet users in Britain tend to be slightly younger than the general population and this is reflected among Users of SA Online.

Average personal income is also slightly higher for Users than it is for SA taxpayers. A third (35%) of all Users earn £40,000 or more compared to just a quarter (25%) of SA taxpayers generally.

Many of these factors are interlinked: Older taxpayers are more likely to have income from pensions and pensioners are likely to have lower personal income than those who are in full-time employment.

To summarise, Users are more likely to be male, aged between 30 and 59, have higher incomes and greater access to the Internet than SA taxpayers generally.

3.1 SA Online Users tax affairs

Around two thirds (69%) of all Users were working full-time (30 hours or more a week), with the majority of Users being employed rather than self-employed.

Limited data is available for the SA population, but some comparisons can be drawn with Users of SA Online. Table 3.2 shows the profile of both groups according to whether they complete the employment or self-employment pages of the SA tax return.

Table 3.2 Employment & Self-Employment-Users and the SA population

Base: All Users who gave information about income (1,977)	Users (%)	SA taxpayers (%)
Employment only	53	38
Self-employment only	20	34
Employment <i>and</i> Self-employment	15	11
Neither employment <i>or</i> Self-employment *	12	17

* This group are predominantly made up of pensioners

One of the main differences between Users and SA taxpayers in general is the relative proportion of employed and self-employed taxpayers. Half (53%) of all Users had income from employment only compared with a third (38%) of SA taxpayers more widely. Conversely Users were less likely to have income from self-employment compared to SA taxpayers generally.

This probably relates to two reasons:

- Employed taxpayers tend to have relatively simple tax affairs compared to self-employed taxpayers. The length of time they need to spend filling out their tax return is generally shorter and therefore the length of time they need to be online to complete an online tax return is less.
- Self-employed taxpayers are more likely to be represented by an agent than employed taxpayers. Represented taxpayers were out of scope for the survey so the sample was skewed towards employed taxpayers.

Taxpayers who have no income from either employment or self-employment are predominantly pensioners – the most common source of income outside of employment being a pension. Therefore the fourth group in Table 3.2 can be seen as a proxy for pensioners. Users of SA Online are less likely to be pensioners than SA taxpayers as a whole. This is further evidence that the taxpayers who adopt SA Online are likely to be younger and probably more familiar with the Internet and technology.

In conclusion it is also worth noting that Users are relatively experienced with the SA process generally and SA Online. 43% had received a tax return for

more than five years and the majority had completed at least two tax returns online. Experience with the SA tax return is discussed in detail in Chapter 5.

3.2 Online behaviour

Comparisons can be drawn between Users and the wider population of Internet users in Great Britain. Figures are taken from BMRB's 2005 Target Group Index (TGI) survey. The survey includes around 25,000 interviews annually and the figures shown here are from data collected between October 2004 and September 2005 (so include data from a similar period as the current survey).

Table 3.3 Online behaviour of Users

Base: All Users (2011)	Users %	GB Internet users %
Access to the Internet at home	97	91
Broadband Internet access at home	79	50
Currently bank online	82	32
Bought goods or services online	90*	
Use the Internet everyday	81	52

* No comparison available

Users of SA Online are sophisticated users of the Internet. The majority bank online, use the Internet everyday and have broadband access in their own home. On all measures they are far ahead of Internet users in Great Britain. They are more than twice as likely to bank online and the percentage with broadband access in their own homes (79%) is high.

3.3 Attitudes towards technology

All Users were presented with a series of statements about the Internet and technology and asked how strongly they agreed or disagreed with each (on a five-point scale between 'agree strongly' and 'disagree strongly'). Table 3.4 summarises Users' responses to each of the five statements.

Table 3.4 Attitudes towards technology

Base: All Users (2011)	AGREE	Agree Strongly
	%	%
I try to keep up with developments in technology	91	59
When I need information the first place I look is the Internet	91	59
I am concerned about giving personal financial information on the Internet	67	35
Using electronic communications is the way forward	93	68
I prefer to send an email rather than make a telephone call	50	29

Overall, Users of SA Online were very positive towards technology and the Internet. This reinforces the idea that they are comfortable using computers and the Internet and that they like to organise their finances electronically.

It is perhaps surprising that two thirds of Users were still concerned about giving their personal financial information on the Internet. As they were all using SA Online and most were banking online, they are clearly willing to give personal *and* financial information on the Internet. This suggests there is a healthy level of concern among Users – while they are happy to use SA Online, bank online and make purchases online security remains a back-of-mind concern.

Users' attitudes towards technology were strongly correlated with their level of Internet use. Users who used the Internet frequently, had broadband access at home or banked online tended to respond more positively to the technology statements. It is probable that Users' use of the Internet and their attitudes towards technology mutually reinforce each other. People who use the Internet a lot tend to become more positive about technology and people who are positive about technology are more likely to use the Internet more frequently.

We can compare the responses of SA Online Users with SA taxpayers who had registered for SA Online for the first time more recently. In another recent

BMRB survey carried out on behalf of HMRC, SA taxpayers who had recently registered for the first time were interviewed about their experiences of SA Online (new users)⁴. They were presented with four of the five statements discussed above. The responses of the two groups were similar but established Users of SA Online were more positive on all four of these statements. 91% of established Users agreed that when they needed information the first place they looked was on the Internet (compared with 84% of 'new users'); 91% agreed they tried to keep up with new developments in technology (compared with 87% of 'new users').

3.4 Key findings on the profile of SA Online Users

SA Online Users are subtly different from the wider population of SA taxpayers:

- Users of SA Online were younger, with a greater proportion aged under 60 than SA taxpayers generally. Consequently, Users were less likely to have income from pensions than the wider population of SA taxpayers.
- SA Online Users were more likely to have income from employment and less likely to have income from self-employment than SA taxpayers generally.
- Nearly all Users of SA Online: bank online (82%); pay for goods and services online (90%) and have broadband access at home (79%). This suggests using SA Online is part of wider pattern of online behaviour.
- SA Online Users were exceedingly positive towards technology / Internet and can be seen as early-adopters of technology. The vast majority agreed that they tried 'to keep up with technology' (91%) and that 'using electronic communications is the way forward.'

⁴ Registration for SA Online in 2006 – A survey of new registrations for SA Online conducted by BMRB on behalf of HMRC

4 Perceptions of SA Online

This Chapter presents an overview of user perceptions of SA Online Services generally. Taking into account the online tax return and the whole range of services that are on offer to taxpayers once they have registered for SA Online.

4.1 SA Online – Where found out about the services

We begin the chapter looking briefly at where Users first found out about SA Online. Responses can be divided into two main categories: media advertising and promotion on HMRC documents. In total 55% of Users had first found out about SA Online from a HMRC document including:

- Information they had read on the paper tax return
- HMRC leaflets
- HMRC letters

Fewer Users said they had heard about SA Online from media advertising (27% of all Users). This is perhaps unremarkable as advertising for SA Online was relatively scarce up until 2005 by which time most Users had already registered for the services. Results from a separate survey of registration for SA Online revealed a different pattern of responses. Taxpayers who had registered for SA Online in the last one or two years (i.e. since 2004) were more likely to say they had heard about the services through advertising (specifically TV advertising).

One in ten Users (10%) said they had found out about SA Online through someone else telling them about it indicating word of mouth is also an important channel of promotion.

Where SA taxpayers find out about SA Online is discussed in more detail in the separate report on registration for SA Online. This report also discussed the perceived benefits of registering for SA Online amongst new users (taxpayers who had registered for SA Online in the last 1-2 years)⁵.

⁵ Registration for SA Online in 2006 – A survey of new registrations for SA Online conducted by BMRB on behalf of HMRC

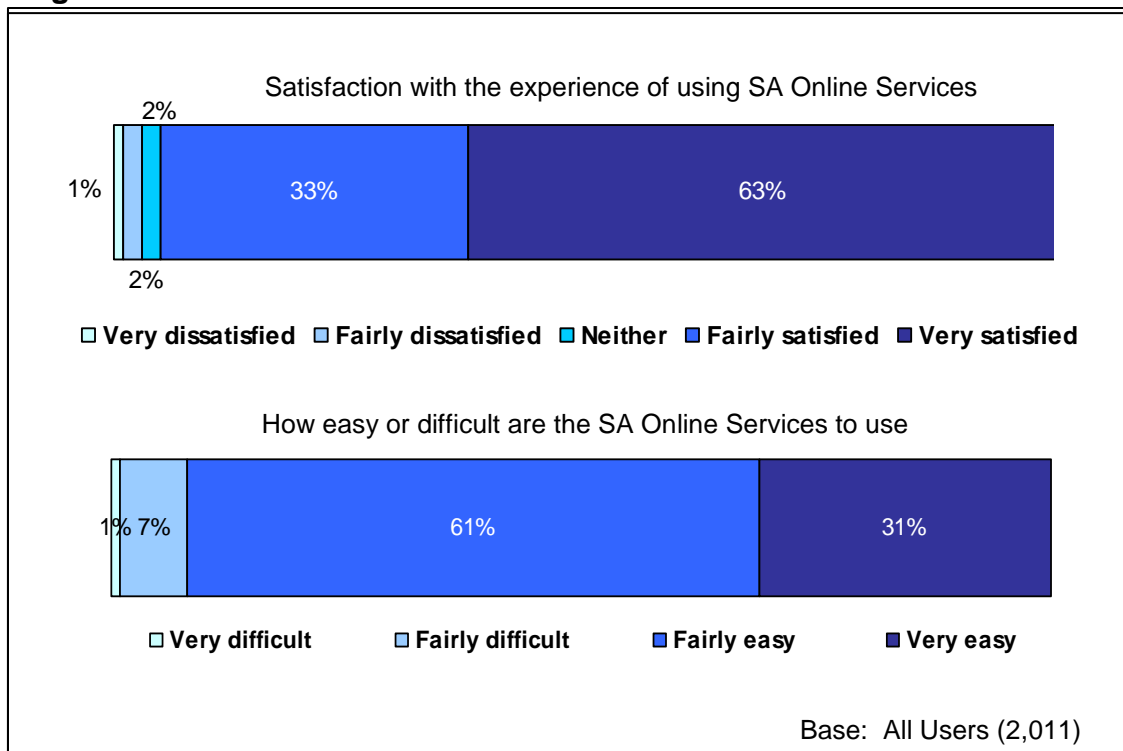
4.2 Satisfaction with SA Online

Users were asked to rate SA Online services overall on a range of measures. Two key measures were taken from the following questions:

- Taking everything into account, how easy or difficult are the SA Online services to use?
- Overall how satisfied would you say you were with the experience of using SA Online?

The results from these two questions revealed a very positive picture with the majority of Users rating SA Online services as easy to use (92%) and saying that they were satisfied with the experience of using the services (96%). Users' responses to these two questions are shown in Figure 4.1

Figure 4.1 Satisfaction with and ease of use of SA Online Services



4.3 Links with the online tax return

Users' perceptions of SA Online were strongly correlated with their experiences of using the online tax return the last time they filed online. Users tended to express higher levels of satisfaction with SA Online overall if they:

- were satisfied with the process of completing their tax return online the last time they had done this

- found the online tax return ‘easy to use’ the last time they filed online
- were confident their online tax return had been processed correctly

Perceptions of SA Online were dominated by Users’ experiences of using the online tax return rather than the suite of online services. If they were positive about the process of filing online then they tended to be positive about SA Online. This suggests that most Users had registered for SA Online primarily so they could file their return online. As long as the online tax return was easy to use then they were satisfied with SA Online services overall. ‘SA Online’ and the online tax return are probably synonymous to many Users.

Satisfaction with SA Online was closely linked with whether Users had experienced any problems on the last occasion they had completed a tax return online. Users who had experienced problems last time were more likely to say they were dissatisfied with SA Online and more likely to say that SA Online services were ‘difficult’ to use. 70% of Users who had not experienced any problems said they were ‘very’ satisfied with SA Online compared with just 44% who had experienced a problem.

Satisfaction and ease of use were also linked with the number of years Users had been completing a tax return online. Users who had completed a tax return online for two or more years rated SA Online higher on both counts than Users who had only completed one tax return online. This suggests that some of the benefits of using SA Online are long-term – once taxpayers have completed several online tax returns they get quicker and find the process more convenient with experience.

The qualitative research echoed these findings. Users of the SA Online service were highly complimentary, commenting on three aspects in particular:

- A user-friendly site

‘Excellent, actually this is one of the best government sites. It’s very convenient. It’s very user friendly.’

(Male, Self employed taxpayer, Simple tax affairs)

- Online help and the facility to review what you have already entered online

'It's very good at pointing out if you've got something wrong...you can pick up from where you left off and review...which is extremely good.'

(Female, Both Employed and Self-employed, Complex tax affairs)

- *'The built-in online tax calculator is seen as a great advantage over undertaking manual calculations when completing a paper return.'*¹
- *'It is a real time saver and it stops any transposition of figures where you might make a mistake. So that very first experience was really as straightforward as I would have hoped it would have been and in fact it was more helpful than doing it on paper because it takes you through the process and does the calculation.'*¹

(Female, Both Employed and Self-employed, Simple tax affairs)¹

The increase in satisfaction of previous Users of SA Online was also apparent amongst the taxpayers participating in the qualitative research, who said:

'Once you've done it once it becomes easier because you have a sense of what going to come up next...the more often you do it, the more confidence you have in the facility.'

(Male, Self-employed taxpayer, Simple tax affairs)

4.4 Images of SA Online

SA Online Users were presented with five statements about SA Online overall and were asked how strongly they agreed or disagreed with each. The statements were about the overall look and feel of SA Online and how using SA Online might benefit Users. Responses are summarised in Table 4.1

The 'balance' score in Table 4.1 indicates on balance how positive or negative Users felt about SA Online. The score was calculated by subtracting the percentage of people who answered negatively from the people who answered positively. Disagreement with the negative statement (like 'It is difficult to move...') was counted as a positive response.

Table 4.1 Perceptions of SA Online

Base: All Users (2011)	AGREE %	DIS- AGREE %	BALANCE %
The SA Online website looks professionally designed	93	2	+91
It is difficult to move through the website to the desired location	22	72	+50
Using SA Online services saves me time	89	8	+81
Managing my tax affairs is made easier by SA Online	87	5	+82
Using SA Online has cut down the amount of paperwork I have to keep	61	30	+31

Users were unanimous on three points:

- SA Online looks professionally designed;
- Using SA Online saves time;
- Managing their tax affairs is made easier by using SA Online

The perceptions of the taxpayers in the qualitative study provide further support for these views, particularly amongst those taxpayers who have filed online more than once. Not only does successive online filing become faster, but online filing was considered to be faster than paper filing because of the built in routing and error traps in the online system plus, the automatic tax calculation.

'It calculates for you and informs you of mistakes which paper does not...this saves time.'

(Female, Both Employed and Self-employed, Simple tax affairs)

'paper return is very laborious...lengthy, make an error, deleting, rewriting, simply omitting things. The good thing about self assessment [online] it is prompts you.'

(Male, Self-employed taxpayer, Simple tax affairs)

Taken together, these findings should be seen as very positive. Users of SA Online clearly thought there were tangible benefits to using SA Online in terms of speed and accuracy. It may be possible for HMRC to promote SA Online using these types of findings. For instance it could be emphasised that although it may take taxpayers a little while to register in the long-term it will save them time. On this point, Users who had completed two or more tax returns online were more positive than those who had only completed one. For example, more than 90% of Users who had completed online more than once agreed that using SA Online services saved them time compared to 83% who had only completed once.

For some Users there seemed to be issues with navigation. Nearly a quarter (22%) of Users agreed that it was difficult to move through the SA Online website to the desired location (7% agreeing strongly). While this is not a particularly high proportion, Users who thought it was difficult to move to the desired location were more likely to be dissatisfied with SA Online services overall. Problems with navigation were more prominent when looking specifically at the online tax return (see section 5.9).

The qualitative study was able to expand on this issue as some of the taxpayers found that the navigation route from the HMRC homepage to the SA Online tax return was not as straightforward as they would have liked, particularly if they were re-visiting in order to continue or check the electronic tax return.

‘When I file I just want to start straight away from the home page. When you visit the next time, you think “how did I get there?” You think “Did I go through services?” If there is only one route then you know you are not going to have a problem.’

(Male, Employed taxpayer, Simple tax affairs)

Similarly, Users were not sure whether using SA Online had cut down the amount of paperwork they had to keep (30% disagreed that it had). This is not altogether surprising as although SA Online eliminates the need for the paper tax return, Users still have to retain paper documents (receipts, statements) so they can complete the online tax return accurately. There were no major differences between subgroups of SA Online Users on this point suggesting it may have been a disappointment for only some Users.

Taxpayers in the qualitative study were particularly pleased that they could keep a copy of the tax return electronically and could print this out if they so desired. This meant that if they wished to keep a copy of their tax return they no longer had to either write out a copy by hand or arrange for a photocopy. This was seen as being a much more efficient and cost-effective way of dealing with tax affairs.

'As I say because you can [...] even print it because I have done it, [...] the first time I think I actually printed it even before I finished it just to have a look at it and see what came out and made sure it came out all right and did it look all right'

(Male, Both Employed and Self-employed, Simple tax affairs)

4.5 Future use of SA Online

Nearly all Users intended to use SA Online services again in future suggesting they are hooked into using the system once they have filed online. 84% of Users said they definitely would, and 12% said they probably would use SA Online Services again in future. Just 3% said they probably or definitely would not use them again (only 54 Users in total).

Furthermore, most Users who said they probably or definitely would not use SA Online again in future said this was because either:

- They would not need to complete a tax return again in future (often because they were no longer self-employed)
- They had decided to use an accountant in future

So very few Users who were not intending to use SA Online in future had been put off by problems with the website or online tax return. Percentages for each type of response have not been quoted as the number of Users who said they would not use SA Online in future was too low to produce robust data.

Again, these findings were echoed in the qualitative study with Users of SA Online being very impressed by the service offered.

'A huge improvement over the paper forms...the [SA Online] website is an advance on the paper form by several large steps.'

(Male, Employed taxpayer, Complex tax affairs)

As well as intending to use SA Online again in future the majority of Users (90%) said they were likely to recommend SA Online to other people they knew who completed a tax return. Likelihood of recommending SA Online to others was understandably linked with their personal experience of the services.

In the words of one of the participants in the qualitative study:

'Once I knew what I was doing, SA Online is a piece of cake.'

(Female, Both Self-employed and Employed, Simple tax affairs)

Users who had experienced problems the last time they completed a tax return online were less likely to say they would recommend SA Online (as were Users who were dissatisfied with SA Online generally).

As discussed at the start of this chapter, 10% of all Users said they had first found out about SA Online through someone else telling them about it. This suggests SA Online is promoting itself via word of mouth. Users of the SA Online services are likely to recommend SA Online to other people and a significant proportion heard about it in the first place by someone else recommending it to them.

4.6 Key findings related to the SA Online overall

Results from the survey indicate that Users were very positive about SA Online services overall:

- The majority of Users were satisfied with the experience of using SA Online services (96%) and said the services were easy to use (92%)
- 'SA Online' and the online tax return were synonymous to most Users. Satisfaction with SA Online services overall was strongly linked to satisfaction with filing online. As long as Users were happy with the process of filing online then they were happy with SA Online overall
- Most Users agreed that the SA Online website looked professionally designed (93%) and that using SA Online services saved them time (89%)

- Navigation through SA Online services was an issue for a significant proportion of Users. One in five Users (22%) agreed that it was 'difficult to move through the website to the desired location'. Notably, users who found this difficult were more likely to be dissatisfied with SA Online services overall. HMRC may wish to consider how navigation through the SA web pages could be simplified. This may warrant further usability testing of SA Online services.

5 The Online Tax Return

SA Online offers a range of services to taxpayers who register, but the online tax return is the reason SA Online was developed and the reason most taxpayers choose to register. This chapter looks at all aspects of the online tax return:

- How easy Users think it is to use the online tax return
- Perceived benefits of filing a tax return online
- How long it takes to file a tax return online
- Problems with the online tax return and suggested improvements

5.1 Experiences of the online tax return

The sample of Users interviewed was drawn randomly from HMRC records so Users had varying degrees of experience of being in Self-Assessment. Users were asked how many years they had been receiving a SA tax return (i.e. including the years before they decided to start using SA Online). They were also asked how many years they had completed a tax return online. The results from these two questions are shown in Table 5.1.

Table 5.1 Years received SA tax return

Base: All Users (2011)	No. years received SA tax return %	No. years submitted tax return online %
1 year only	3	16
2 years	14	43
3 years	15	28
4 years	11	8
5 years	11	4
6-9 years	15	1
10 years or more	28	1

¹ The online tax return has only been available for the last 5 years

SA Online Users clearly had a lot of experience with the SA process. Over half of Users (54%) had received a tax return for 5 or more years and more

than a quarter (28%) had received one for 10 or more years. Since SA Online has only been available for the last 5 years we know that many Users were already very familiar with the SA process on paper before they decided to go online.

The majority of Users (71%) had completed a tax return online for two or three years, with around one in ten (12%) having completed online for four or more years. Just 16% had completed online for one year - indicating that as well as being experienced with the SA process generally, many Users were also experienced with using the online tax return.

Perceptions of the online tax return were linked with the number of years Users had been in SA and the number of online tax returns they had completed. In many cases Users who were more experienced with Self Assessment and SA Online were more positive about their experiences of using the online tax return. Throughout the chapter we explore differences between Users with varying degrees of experience of Self Assessment and SA Online.

5.2 Future use of the online tax return

94% of Users said they were extremely likely (54%) or very likely (40%) to submit a tax return online again in the future. This supports findings from Section 4.5 which suggested taxpayers who register for SA Online and file online are very unlikely to go back to using a paper tax return.

Taxpayers in the qualitative study were enthusiastic about filing online and could not see any reason not to do so again in the future. Ease of use, speed of completion, automatic routing, error-trapping, an automatic tax calculation and the facility to retain an electronic copy of the tax return were all seen as major advantages over the paper tax return.

'It made it easier. I don't have to have the paper form any longer. It was just much more straightforward in terms of filling out the form. And made the whole process seem less of a burden.'

(Male, Employed taxpayer, Complex tax affairs)

‘So if you’re running up to the deadline, as I often seem to do, being able to go okay, it’s 10.30 at night and it’s gone and it’s there. Last year we were in Jamaica for the year and you know it (SA Online) was just invaluable being able to do it all Online, hugely wonderful’

(Male, Both Self-employed and Employed, Complex tax affairs)

Just 3% of Users said they were ‘not very’ or ‘not at all’ likely to submit a tax return online again in the future. Three quarters (75%) of these Users said this was because they no longer needed to complete a tax return at all (e.g. if they recently switched from being self-employed to being an employee) or because someone else was going to complete it for them in the future. (e.g. an accountant).

Very few Users said they were unlikely to file online again in the future because of problems with the online tax return itself. Six Users in total said they were unlikely to use the online return because it was easier to use the paper return (representing less than 0.3% of all Users). Three Users said they were unlikely to use the online tax return again because of technical difficulties with the online system.

In summary, while there were a small proportion of Users who do not intend to file online again in future, this was usually because of a change in their circumstances. Consequently there was little or nothing that HMRC could do to stop these people from reverting back to the paper tax return.

5.3 Filing online and commercial software

On the last occasion they had filed a tax return online, 7% of Users had used a type of commercial software (substitute return) instead of using the free HMRC online tax return. Taxpayers who used commercial software generally did this because they had income which could not be recorded using the HMRC online return.

Users who had used commercial software to complete their last tax return most commonly said this was because they had: (shown here in order of frequency mentioned):

- Income from shares / share schemes
- Foreign income

- Income from land or property
- Or, Capital Gains to record

None of these types of income can currently be recorded on the standard HMRC online tax return.

Users who had used commercial software and Users who had used the standard HMRC online tax return held very similar attitudes towards the online filing process. Consequently Users who used commercial software are not treated as a separate sub-group for the rest of the chapter.

5.4 Overall satisfaction and ease of use

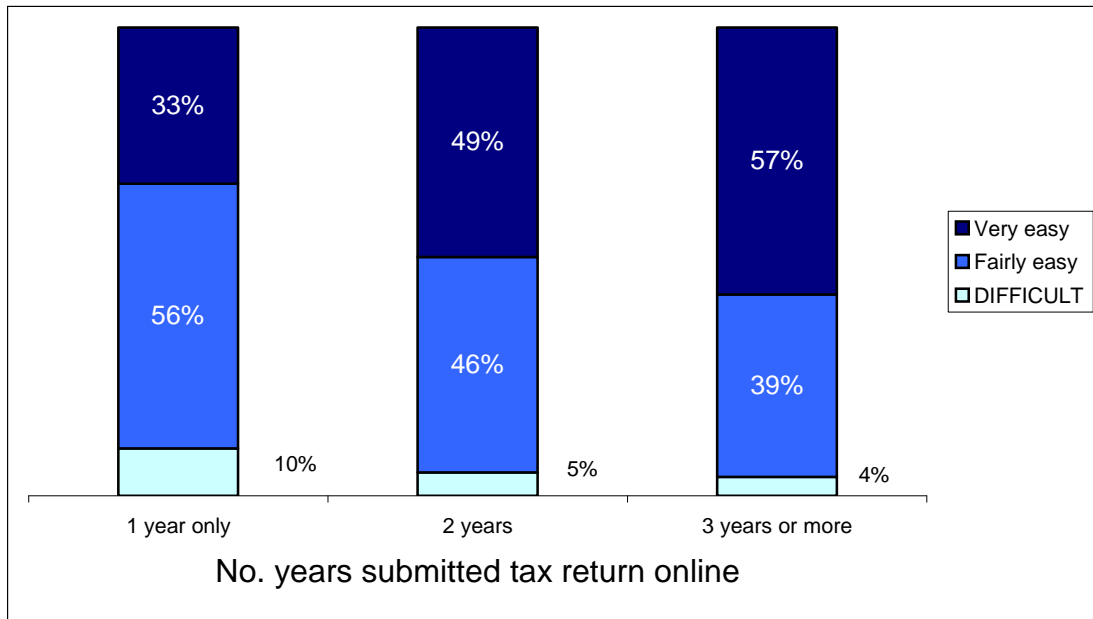
SA Online Users were asked to rate the process of submitting their tax return online the last time they had done this. The vast majority (97%) had submitted a tax return online within the last year – with 58% having already filed their 2004/5 tax return online by the time they were interviewed in November 2005. For most Users of SA Online the experience of submitting a return online was a fairly recent experience.

Overall ratings of the process of filing online were very positive:

- 94% said the last time they had completed a tax return online, the process was 'easy' (50% saying 'very' easy)
- 95% were satisfied with the process overall (65% 'very' satisfied)
- 95% were confident that their tax return had been processed correctly

As responses were so positive towards the process of filing online differences between different types of taxpayers were minimal. However all three of these measures were linked closely with how many years Users had completed a tax return online. Users who had completed two or more online tax returns were more positive than those who had only completed one online return. Figure 5.1 illustrates this point:

Figure 5.1 Overall rating of the online tax return



It is probably unsurprising that SA Online Users found that the process of filing online gets easier with experience. Nevertheless this is an important and positive finding for HMRC. The results suggest that Users continue to experience the benefits of registering for SA Online for years after initial registration. This view was also very apparent amongst the taxpayers in the qualitative study.

'I can sit down with a cup of coffee and look it up but that is because I am computer literate. So the first time with the paper one I could sit and read it and make sure and make notes and whatever. But once I knew what I was doing the on line is a piece of cake. You just go click click'

(Female, Both Self-employed and Employed, Simple tax affairs)

"Once you've done it once, twice, it becomes easier because you have a sense of what's going to come up next. And presumably the more often you do it, the more confidence you have in the facility."

(Male, Self-employed taxpayer, Simple tax affairs)

In future it might be possible to use this kind of message to market SA Online to taxpayers who are not yet registered for the services.

Users who had experienced problems the last time they had completed a tax return online were also less positive about the online tax return. They were

generally less satisfied with the process and were more likely to say the online tax return was difficult to use. We would expect this to be the case but nevertheless it highlights how bad experiences with the online tax return can tarnish Users' attitudes towards the process of filing online.

Interestingly, complexity⁶ of tax affairs seemed to have no bearing on how Users rated the online tax return. Users with complex tax affairs were just as likely to say the process of filing had been easy; that they were satisfied overall and were confident that their tax return had been processed correctly, a view that was also held by the taxpayers with either simple or more complex tax affairs participating in the qualitative study. Although the taxpayers found it difficult to explain why this might be so, the fact that the online service provides automatic routing, helps with spotting errors and provides online guidance all point to why the service is seen in a positive light irrespective of the complexity of the tax situation.

'I know that tax forms are not straightforward but I think they should be; they should be easier. And the website is an advance on the paper by several large steps.... I have found the Online one so positive that I encouraged my mother-in-law to do it, and she did it all Online to'

(Male, Both Self-employed and Employed, Complex tax affairs)

5.5 Perceptions of the online tax return

As well as simply rating the online tax return for ease of use, Users were presented with a series of statements about the online tax return. These covered the security and design of the online tax return as well as comparisons with the paper tax return they had used in the past. Users were asked how much they agreed or disagreed with five statements on a five-point scale (ranging from 'agree strongly' to 'disagree strongly'). The results from these five statements are shown in Table 5.2.

⁶ Based on information from their last SA tax return taxpayers can be classified as having either 'simple' or 'complex' tax affairs. Taxpayers with complex tax affairs are those who have income from sources which cannot be recorded on the standard online tax return. Most commonly this includes taxpayers with income from share schemes, land or property, partnerships and overseas income.

Table 5.2 Perceptions of the online tax return

Base: All Users (2011)	AGREE	DISAGREE
	%	%
Filing a tax return online is secure	82	1
It is difficult to navigate through the sections of the online tax return	17	78
The online tax return is user-friendly	90	6
Filing a tax return online is easier than completing a paper tax return	82	8
The online tax return looks professionally designed	93	2

As table 5.2 shows Users of SA Online were mainly positive on all fronts. Most encouragingly for HMRC the vast majority of Users thought the online tax return was: user-friendly, secure, professionally designed and easier than completing the paper tax return. It is particularly encouraging that virtually no Users seemed concerned about the security of filing a tax return online.

Opinion was slightly less positive about the ease of navigating through the sections of the online tax return (around one in five Users agreed that it was difficult to do this). Unlike other measures relating to the tax return, ease of navigation was not related to the number of years Users had used SA Online. Users who had completed a tax return online for four or five years were no more positive than Users who had completed only one or two returns online.

These findings were also reflected in the views of the taxpayers followed up in the qualitative study. Taxpayers felt that the 'look and feel' of the SA Online web pages met their expectations in terms of professional design and layout, which also reinforced their views about the security of the site. As discussed earlier, the SA Online service was seen as user friendly, as reflected in the use of non-technical language, automatic routing and easily accessed help. Where there were negative comments these focussed specifically on either a difficulty for some taxpayers in navigating from the home page to the service that they required, or some aspect of the page design. In particular, there were some negative comments about the use of small font sizes and some use of technical terms that were not always readily understandable.

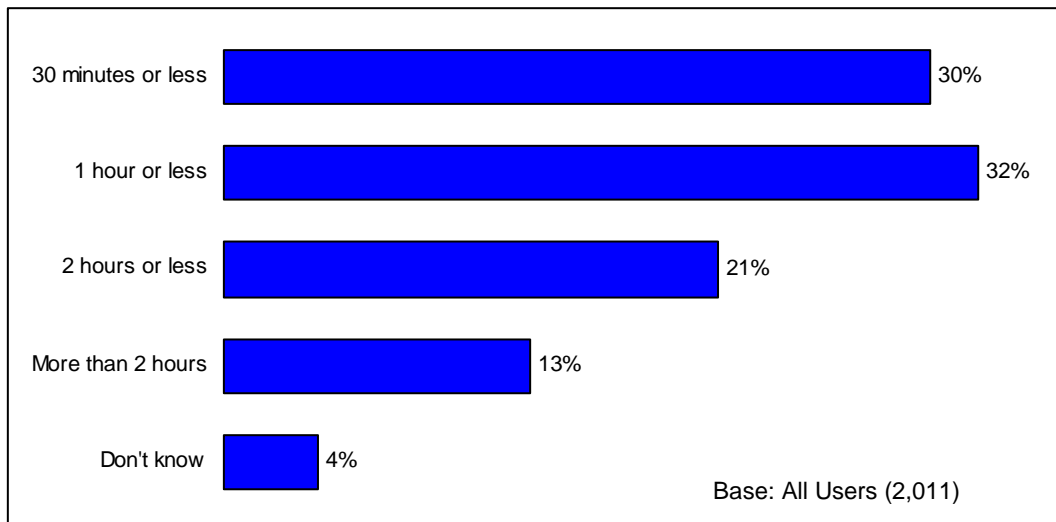
‘You know coming from the perspective where I have been through 14 years of university education including a PhD and I still find it difficult to understand the questions. So what I am afraid of is there are an awful lot of people out there who have less of an understanding of any financial matters in particular and how the hell are they supposed to understand what the form is all about’

(Male, Employed taxpayers, Complex tax affairs)

5.6 Time taken to file online

As part of the survey Users were asked to estimate the time it had taken them to file their last tax return online. The time taken among all Users is summarised in Figure 5.2.

Figure 5.2 Time taken to file online



Time taken to file online was linked with one key factor:

- The number of years Users had completed their tax return online

Users who had completed a tax return online for two years or more were quicker on average than Users who had completed just one tax return online. 32% of Users who had completed two or more online tax returns completed their last online return in 30 minutes or less. This compares with 23% of Users who had only completed one tax return online.

The majority of Users also thought it took less time to complete their last return than it would have done to complete and send a paper tax return.

Table 5.3 Time taken to file online compared with the paper return

Base: All Users (2011)	%
A lot less time	48
A little less time	27
No difference	15
A little more time	6
A lot more time	3

Users who thought it took more time to complete their last tax return online were more likely to be dissatisfied with SA Online services overall and were less likely to submit a tax return online again in future. This suggests perceived length of time to complete an online return was one of the key factors affecting Users' attitudes towards SA Online generally. This finding is supported by results from the recent registration survey. A large proportion of taxpayers who had registered for SA Online between 2005 and 2006 thought that one of the benefits of registering would be that filing online would save them time. Logically, we would expect Users who found it actually took longer than if they completed a paper return to be dissatisfied with SA Online.

The length of time taken to complete the online return compared to the paper tax return was also linked to the number of years they had completed a tax return online. 53% who had completed an online tax return for three or more years said it took a lot less time to complete compared to the paper return. This compares with 47% who had completed an online return for two years and 36% who had completed for one year.

Users with income from pensions were the most likely group to say that there was no difference in the time taken to file online compared with completing a paper return (21% compared to 15% overall).

5.7 Number of sessions taken to complete the Online Return

As well as measuring the physical time taken to complete the online tax return the survey also looked at the number of online sessions Users had taken to complete their last tax return. This is an important measure as Users need to log-in to SA Online each time they start a new session which is potentially inconvenient.

Encouragingly, most Users had completed their last online tax return in either one or two sessions:

- 42% completed in one session
- 32% completed in two sessions
- 16% completed in three sessions
- 9% completed in four sessions or more

5.8 Perceived benefits of submitting a tax return online

Users were asked what they thought were the benefits of submitting a tax return online compared to sending a paper return. The question was asked unprompted to measure Users' spontaneous responses. Users mentioned a wide range of benefits suggesting that there are many tangible benefits to using the online tax return. The most common perceived benefits are shown in Table 5.4.

Table 5.4 Perceptions of the online tax return

Base: All Users (2011)	%
It's quicker / saves time	44
You get an automatic tax calculation	40
It's easier / less complicated	28
It saves paperwork	16
You get a receipt / acknowledgement when your return is received	14
Confident that it's correct / it checks your figures	10
More convenient (no further detail given)	8
Online guidance and help available	8
Don't have to post it / no need to go to post office	7

Three of these benefits stood out as being mentioned far more frequently than any of the others: it being quicker (44%), getting an automatic tax calculation (40%) and it being easier than sending a paper return (28%).

It was unclear why filing a tax return online would be quicker than completing a paper return. Taxpayers who use the online tax return still have to fill in all

the same information as if they had used a paper return and of course need to log in before they could use the online return. However, we have already seen in Section 5.6 that the majority of Users did think it was quicker to use the online tax return and the results in Table 5.4 reinforce this finding.

This issue was further explored in the qualitative stage of the research and Users of SA Online suggested that it was faster to complete a tax return online than a paper tax return for six reasons:

1. Automatic routing means that one does not have to read through sections of a form that are not relevant to their circumstances
2. Mistakes are easier to correct
3. Additions and subtractions are automatically carried out within the electronic form
4. Where taxpayers undertook their own tax calculation, the electronic form meant that time was no longer required in producing this
5. The use of an electronic form means that time no longer has to be spent on making a copy of the tax return as online returns can be printed
6. The tax return can be submitted instantly online, whereas time has to be taken to seal the paper form in an envelope, calculate the postage charge and then post.

Users had clearly picked up on the design features of the online tax return. Significant numbers of Users mentioned the automatic tax calculation, the receipt to show their return had been received and the online help facility. All these additional features were developed to make using the online tax return worthwhile and it is encouraging that Users have acknowledged them in their responses.

5.9 Problems with the online tax return

Despite being largely positive about the online tax return more than a quarter of Users (28%) had encountered a problem or difficulty the last time they completed a tax return online. Users who had completed a tax return online for just one year were more likely to have encountered problems or difficulties than Users who had completed a tax return online for two or more years (38% compared with 26%).

The problems encountered are summarised in Table 5.5

Table 5.5 Problems experienced by Users

Base: All Users who experienced a problem the last time they completed online (562)	%
Problems with the site or server	20
Language being unclear / difficult to understand	12
Problems submitting the form (no other detail given)	10
Difficulty finding way around / navigating	10
Problems with the log-in	6
Online tax return did not have all the pages needed	6
Problems with password	6
Did not receive an acknowledgement / notification	5

Typical responses given by Users in the quantitative research included:

‘System crashed because of many people all using the service’

‘I would make some of the language easier to understand’

‘The navigating through from pages to page... Trying to go back to where you were when you’ve been logged out. Sometimes it would take you back to the beginning’

The problems were a mixture of technical issues including problems with the site and not receiving an acknowledgement after submitting the return and issues with the design of the site including the language used and the navigation between pages.

As discussed in Chapter 5, there was some indication amongst the taxpayers in the qualitative follow-up study that specific types of language were problematic.

‘Well the advantage of the on line system is you can click on often an area which gives some sort of explanation although often I have found the explanations are not any more understandable than the question was in the first place.’

(Male, Employed taxpayer, Complex tax affairs)

'I didn't realise straightaway that self assessment was what I needed to click on to fill in my tax return, because its tax return that I was doing. So I remember clicking through a few things before finding that out'

(Male, Both Self-employed and Employed, Complex tax affairs)

Problems with the site or server were largely related to the system crashing. Several Users mentioned that they thought this was because too many taxpayers were trying to access the SA Online system. This is probably a reflection of the volume of traffic on the SA Online site prior to the January filing deadline and around 30 September (the earlier date by which SA taxpayers are encouraged to file their tax returns).

5.10 Suggested improvements

All Users were given the opportunity to say what they would change about submitting a tax return online if they wanted to improve the process. Despite being asked to make a suggestion, one third of all Users (35%) answered this question with a positive comment. For example one User said 'Nothing its fine as it is'. So for many Users the online tax return fulfils their needs and they are basically happy with how the process works.

Users who had encountered problems while filing their last tax return online were more likely to make a suggestion. In fact many of the suggested improvements related directly to problems that they had encountered while filing their last tax return online. The most common themes were:

- Simplifying the registration and log in processes for SA Online (9% of all Users)
- Allowing easier navigation between the sections of the return (7%)
- Simplifying the language / making it more user-friendly (6%)
- Improving the help facility (6%)
- Extending the online return to cover all tax circumstances (5%)
i.e. Land and property and share schemes

Although many Users of SA Online appeared to be satisfied with the process of filing online there were some aspects they would like to see improved. As previous surveys for HMRC have suggested, some Users were unhappy with the login and registration procedures. The registration process and login in processes for SA Online are dealt with in a separate report (SA Users – Registration 2006).

It is probably unsurprising that ease of navigation came up as we have already seen in Section 5.9 that a significant proportion of Users thought it was difficult to navigate through the sections of the tax return. In fact some of the suggested improvements might go some way to addressing navigation issues. If the language was simpler and the help facility improved Users might find it easier to find their way around the Online Return.

From the qualitative research, specific changes that would enhance the SA Online experience include:

- Making the navigation from the HMRC home page to the SA Online services easier
- Removing any technical language and generally simplifying the language used
- Extending the Online tax return to deal with more complex tax affairs
- Increasing the font size
- Highlight September deadline
- Remember bank details for future use

Taxpayers with complex tax affairs were the most likely group to say the online tax return should be extended to cover all circumstances. In fact this was the most common suggestion from taxpayers with complex tax affairs (12% mentioning this). One of the current drawbacks of the online tax return is that it does not cover all types of income that SA taxpayers have to declare.

5.11 Online help facility

The SA Online website offers help to Users who are completing their tax return online. Throughout the online filing process Users are able to click on various links which explain what they need to fill in where and what

documents they need to have in order to complete the online tax return. Onscreen these links are often denoted by a question mark symbol imbedded in a green circle. Levels of use of the online help facility were high.

Around two thirds (65%) of Users had used the online help facility at some point in the past. Use of the help facility was linked to whether Users had experienced problems with the online tax return on the last occasion they had filed. This suggests, as we might expect, that the online help tends to be used by Users to help with a specific issue they have at the time of filing online. Younger Users were also more likely than older Users to have used the help facility at some point in the past (73% of Users under 30 compared with 46% of Users aged 60 and over)

86% of those who had used the online help facility said the information and help they had been offered was easy to understand (35% very easy, 51% fairly easy).

The help facility was considered to be comprehensive, easily accessible and meeting taxpayers' needs as suggested by the following Qualitative respondent:

'That I think it's a very easy system to use. I don't find it difficult, I find it very self explanatory, there's loads of different places you can click onto for help'

(Female, Employed taxpayer, Simple tax affairs)

5.12 Key findings related to the online tax return

Users were generally positive about the online tax return although the research did highlight some areas for potential improvement:

- The vast majority of Users said the process of completing a tax return online was easy (94%). The online tax return was also seen as secure, user-friendly and professionally designed by the majority of Users
- SA Online Users who had completed tax returns online for two or more years were more positive about the online tax return than those who had filed online just once
- Users who had completed tax returns online for two or more years were also quicker at filing online. A third (32%) had completed their last return online in 30 minutes or less compared to a quarter (23%) who had only completed one tax return
- Filing online seems to improve with experience - Users experience the benefits of registering for SA Online for at least 2-3 years after registration
- Despite being so positive, a quarter of all Users (28%) had experienced a problem the last time they completed a tax return online. Common problems included: issues with the HMRC site or server, difficulty understanding the language and navigating between the different sections of the online tax return
- Improving the navigation between the sections of the online tax return was the most common suggested improvement after simplifying the registration process. One in ten Users had experienced a problem navigating through the sections of the return the last time they filed online
- The three main perceived benefits of filling online were: the time saved by completing online; the automatic tax calculation they receive and the process being easier / less complicated than using the paper return. These are potential selling points for SA taxpayers who are not currently registered for SA Online

6 The Additional Services

This Chapter looks at each of the additional services that are available to Users of SA Online (i.e. apart from the online tax return itself). These services can be seen as four distinct parts of SA Online

- 'Liabilities and Payment' – including online statements
- 'Self-serve' – including changing personal details
- 'Customer Services' – including communicating with HMRC by email and receiving emails in a secure inbox on the website
- 'Pay' – to make payments online

While HMRC brand the services in this way taxpayers were unlikely to think of them in these terms. For the purposes of the questionnaire Users were asked about five distinct aspects of SA Online services:

- Making payments via SA Online directly to HMRC
- Viewing statements and payments / liabilities online
- Receiving notifications by email or text message
- Changing personal details online
- 'Asking a question' to HMRC via a secure email
- Use of a personal inbox on the SA Online website

6.1 Awareness of the additional services

Before Users were asked a series of questions about each of the services it was important to determine whether they were aware of that service and whether they had used that service. To determine awareness, Users were read a short description of each of the services and asked whether they were aware of this. Awareness and use of each of the services is shown in Table 6.1.

Table 6.1 Awareness of the additional services

Base: All Users (2011)	Aware %	Used %
Payments via SA Online ¹	63	26
Changing personal details online ¹	60	15
Receiving notifications by email or text message ¹	57	53
Viewing statements / payments / liabilities ²	36	19
'Asking a question' to secure email ²	25	8
Personal inbox on SA Online ²	23	11

Based on awareness, the additional services fall quite neatly into two groups: those which the majority of Users were aware of ¹ and those which most Users had never heard of ². Levels of uptake were relatively low for most of the additional services, although a half of all Users (53%) had used the email or text notifications and a quarter (26%) had made payments online. These relatively low levels of uptake may simply indicate that many Users had no need to use these services at the time of the interview. However, there is certainly a case for raising awareness of the additional services amongst SA Online Users generally.

Levels of uptake of the additional services were similar amongst sub-groups of Users. This suggests the additional services appealed to and were useful to most types of taxpayers. However, Users aged 60 and over were less likely to have used each of the services than Users under 60⁷. To illustrate this, 32% of Users aged 60 and over had used two or more of the additional services compared with 39% of Users aged under 60.

Consequently Users with income from pensions were less likely to have used the additional services. It is difficult to comment on the reason why older Users were less likely to use the additional services. It may be that because they were older they were less familiar / interested with the additional technology. Equally it could be that, as pensioners, their tax affairs were quite simple and they did not feel the need to use any of the additional services.

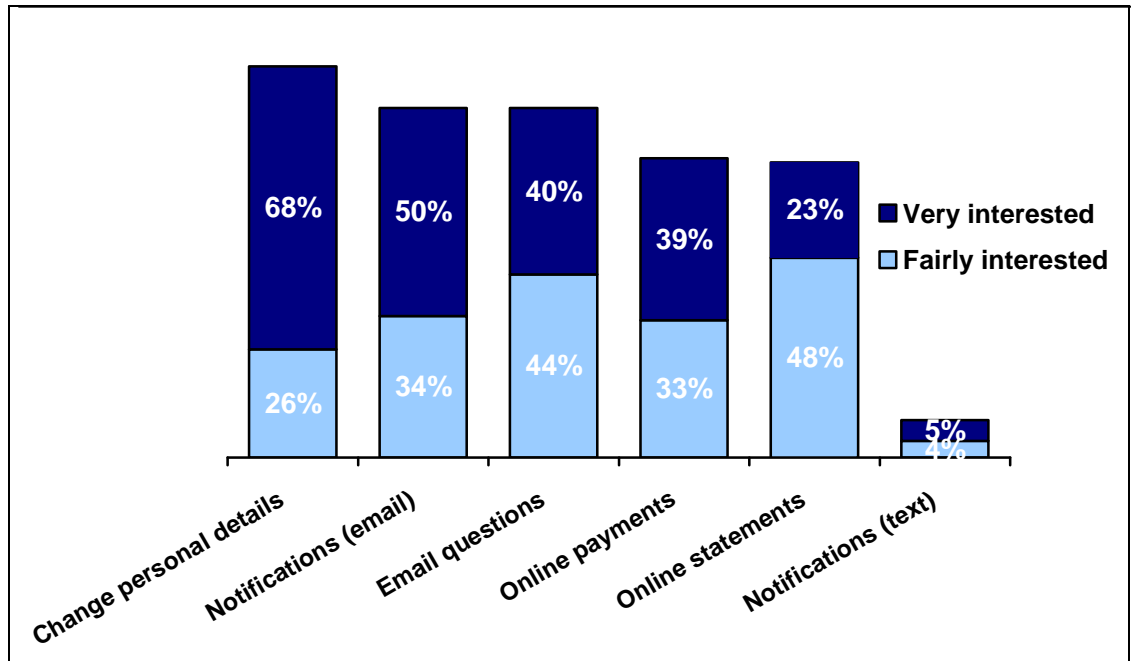
⁷ On average users aged 60 and over had used 1.2 additional services, whereas users aged under 60 had used 1.3 of the additional services

6.2 Interest in the additional services

Users of SA Online who had not used a particular service were asked how interested they would be in using that service in future (if the need arose). Interest was measured on a 4 point scale (very interested, fairly interested, not very interested, not at all interested)

Levels of interest in each of the services is shown in Figure 6.1

Figure 6.1 Interest in the additional services



A significant proportion of Users who had not used the services were interested in all but the text message notification service. 71% of Users who had not used the text message service said they were not at all interested in this service. Interest was highest in: changing personal details online (94% interested); email notifications (84%) and; emailing questions to HMRC via the website (84%).

These findings suggest there is value in HMRC promoting the additional services in literature about SA Online. While many Users were not aware of the services most were interested in using them once they had been told about them. They may be peripheral to the online tax return, but anything that might encourage more SA taxpayers to use SA Online will be an advantage for HMRC.

As well as being less likely to have used the additional services, Users aged 60 and over were less likely to be interested in using each of the additional services (if they had not already done so).

6.3 The additional services in detail

Having looked at awareness, use of and interest in each of the additional services, the rest of this chapter looks at each of the services in turn – focusing on findings from Users who had actually used the range of additional services available:

- Viewing statements and payments / liabilities online
- Changing personal details online
- Receiving notifications by email or text message
- ‘Asking a question’ to HMRC via a secure email
- Making payments via SA Online directly to HMRC

SA Online Users were not asked in detail about their use of the secure inbox. Use of the inbox depends heavily on the nature of the questions taxpayers ask and is therefore very difficult to capture using a standard set of survey questions.

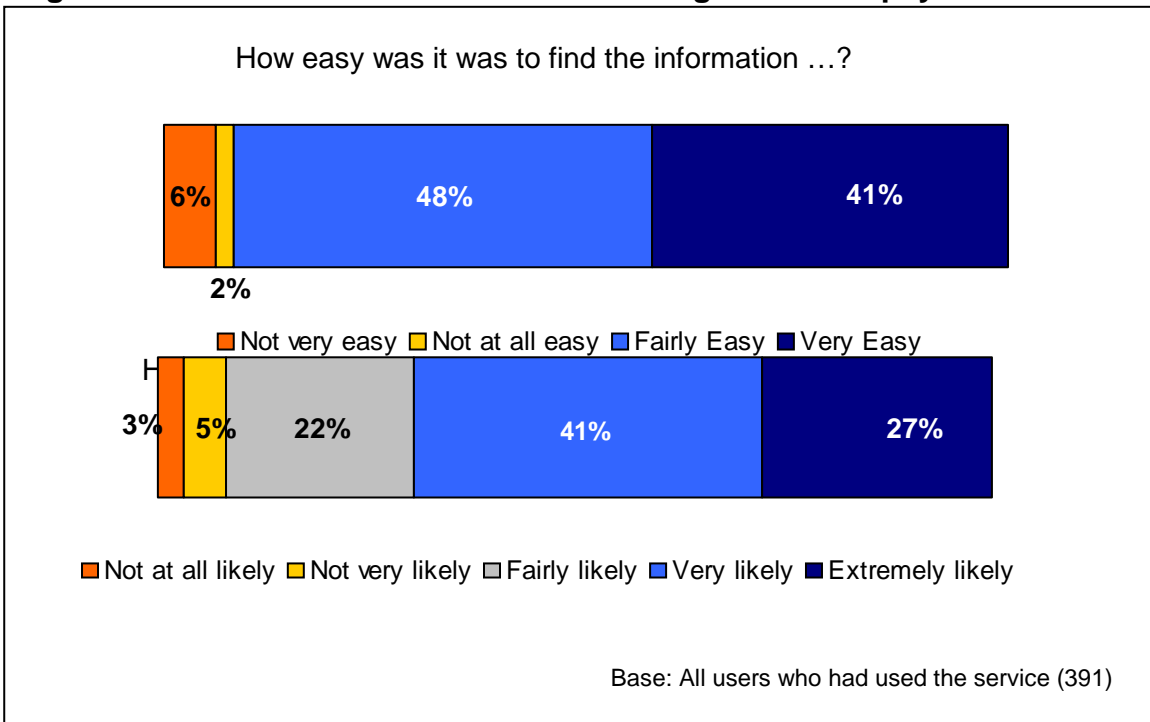
6.4 Statements / details of liabilities and payments online

With one in five Users (19%) having looked at online statements this makes this one of the most popular additional SA Online services. Users who had used the service were asked three basic questions: How easy it was to find the information they had been looking for, whether or not the information they looked at was correct and how likely they were to use the service again in the future. The majority of Users who had looked at statements / liabilities / payments online seemed positive about the service:

- 90% said it was ‘easy’ to find the information they were looking for (41% saying ‘very’ easy)
- 92% said the information they looked at was correct
- And 90% said they were ‘likely’ to use this online service again in future (27% saying ‘extremely’ likely)

Results from two of these questions are summarised in Figure 6.2:

Figure 6.2 Ease of use and likelihood of using the online payment



None of these measures were linked with taxpayers' income or complexity of tax affairs. All sub-groups of taxpayers were similarly positive about the service.

All Users were asked how they preferred to receive information about balances and payments. Was it by post rather than online, online rather than by post, or did they have no preference. Opinion was divided on this matter, but on balance Users seemed to prefer getting this information online rather than by post:

- 37% preferred to look at information about balances and payments online
- 28% preferred to receive information about balances and payments by post
- 35% had no preference

This being the case, the availability of online statements could be made more prominent on the SA Online web pages. However, while many Users preferred to look at this kind of information online the results suggest paper

statements would have to stay for Users of SA Online. Over a quarter of all Users said they preferred to receive this kind of information by post. Older Users of SA Online were the most likely group to say they preferred to receive information about balances and payments by post (32% of Users aged 60 and over).

The reasons why online statements were viewed so highly were fivefold, according to the taxpayers taking part in the qualitative research:

1. Online statements replace the need to keep paper statements;

'Online statements are the biggest advantage of the service, as I used to have to print paper ones, file them and then search for them, whereas now I just need to keep receipts.'

(Male, Employed taxpayer, Simple tax affairs)

2. Online statements provide all the information that is required;

'[They cover] what you owe them, or how much they own you.'

(Male, Employed taxpayer, Simple tax affairs)

3. The online statements were thought to be laid out in a clearer format than the paper equivalent.

4. The online statements make good use of highlighting important information and alerting the User; and

5. The countdown to the filing deadline was seen in a very positive way as it made it clear how much time they had left to prepare their tax return. However, there was a suggestion that providing the countdown in months and days, rather than just days, would make this clearer

'...gives false sense of security as 86 days [for example] sounds like a lot.'

(Female, Self-employed taxpayer, Complex tax affairs)

Despite the very positive views about the online statements, there were some suggestions for change. These were:

- Highlighting the September filing date

- Providing a clear link from this page to the relevant penalty information, and
- Ensuring that the statement of account page is consistent in format with the rest of the website:

Previous years' statements

As well as allowing Users to look at a copy of their most recent statement of account, the service allows Users to look at copies of statements from the previous 5 years regardless of whether these were submitted on paper or online. Just over a third (36%) of taxpayers who had looked at online statements said they had looked at previous years' statements. 96% of all Users who had looked at online statements from previous years said it had been useful to be able to do this (71% saying it was 'very' useful).

Real-time information about payment and liabilities

The account information that Users can view through SA Online is updated in real-time. When a payment is processed or their tax liability changes, the information available on SA Online automatically updates to reflect this. Typically, payments and other changes to Users' accounts are visible within 48 hours of them being processed.

Just one third (33%) of Users who had looked at account information online were aware this was the case. While awareness was low, 79% said they thought it would be 'very useful' to see up-to-date balances online. This suggests the real-time element of the online account information could be made clearer to Users who chose to use this additional service.

The expectation was that the SA online service operated in real time, such that if a payment was made, the site would show this as being paid virtually immediately. This needs to be made clearer, as evidenced by one taxpayer taking part in the qualitative study:

'When I had paid it, it was still showing me the payment due date.'

(Female, Employed taxpayer, Simple tax affairs)

6.5 Changing personal details online

15% of all Users had changed their personal details online. As a User would only need to access this facility if their details were wrong / had changed this is a relatively high take-up rate.

Experience of this service was valued, but little used, amongst the follow-up taxpayers participating in the study. While the page was considered to be clear and no concerns about security were raised, the service was largely overlooked because it tends to be a rarely needed service. As one taxpayer in the quantitative survey indicated, *'I never really bother with other services, I just want to file my tax return and finish'*, but on being pointed out, the advantages of such a facility were recognised – *'saves having to write to them [HMRC] and wait for confirmation.'*

Users who had updated their personal details online had generally updated their address details:

Table 6.2 Details changed online

Base: All Users had changed personal details online (301)	Used %
Address details	64
Email address	14
Telephone number	14
Name	8
Password	4
Employment details	1
Date of birth	1
Marital status	1
Bank details	1

The vast majority of SA Online Users who had updated their details online were quite positive about how the system had worked:

- 97% said the service was 'useful' (82% saying 'very' useful)

- 95% said their details had been updated correctly the last time they had used the service

As opinion was so positive it is unsurprising that there were little or no differences between sub-groups of SA Online Users. Similarly, as just six Users said their details had not been updated correctly it is not really possible to comment on the types of problems taxpayers experienced with the service. However four out of the six said the problem was that their details were not updated or changed at all.

Time taken to update personal details online

Currently when Users update their personal details online there is a delay between them entering their new details and this being updated on the relevant HMRC databases. This system is known as a Structure Action Request (SAR). This is not made explicit to Users and HMRC are considering updating the system so that their details are updated in 'real-time'.

Users of the service were asked how long it took before their details were changed by HMRC. Nearly half (47%) said they did not know or had not yet checked to see. 29% thought (incorrectly) that their details had been updated immediately. Results of this question are shown in Table 6.3

Table 6.3 Time taken for details to be updated by HMRC

Base: All Users had changed personal details online (301)	%
Immediately	29
Within a day	9
Within a week	13
More than a week / still not updated	6
NOT CHECKED TO SEE	3
DON'T KNOW	44

The results suggested that Users probably assumed that the system updated their details in real-time or that they had not given the matter any thought at all. In effect this means that any investment in changing the system so it does update in real-time will have limited impact on Users' perceptions of the service.

6.6 Receiving notifications by email or text message

Compared to the other online services on offer to Users the email and text notification systems are fairly straightforward. Users simply register an email address or mobile phone number when they register for SA Online and, by doing so, will automatically receive notifications. Users who had used email or text notifications were asked a short series of questions.

Use of and interest, in email and text notifications have already been discussed in Sections 6.1 and 6.2. Users who had used either of the notification services were asked how useful they were. 99% of all Users who had received notifications by email or text said these were 'useful' (75% saying 'very' useful). There were no differences in response between Users who had used the email notifications and those who had used the text notifications. Although interest in using text notifications may be limited (see Section 6.2) most taxpayers who have used them think they are very useful.

Taxpayers in the qualitative study who had not used the email notification service were concerned that they might miss any reply that was sent to their HMRC inbox and wanted reassurance that a copy would also be sent to their home email address as well.

'If the service was trying to send me something, I would much prefer an e-mail rather than having to log on and then check a message. Because I check my e-mails, but I wouldn't check something like that. If it was an e-mail saying you have a message, then that would prompt me, it would be better than, I wouldn't necessarily check them daily or anything like that.'

(Male, Employed taxpayer, Complex tax affairs)

6.7 Asking a question to HMRC via a secure email

The current 'ask a question' service involves what HMRC refer to as a Structure Enquiry Form (or SEF). Users can email a question via the Customer Services section of the SA Online website by choosing the option to 'Ask a question'. From here Users are directed through a series of topics and frequently asked questions (FAQs) to see if their question can be answered without them having to email a specific question to HMRC.

As Users are encouraged to seek an answer to their query in this standard set of FAQs it may not be surprising that only 8% of Users had emailed a question to HMRC. Indeed, HMRC would be concerned if SA Online generated a large volume of bespoke email questions as this could put a strain on resources.

All Users were asked how they would prefer to ask a question to HMRC about SA Online if they needed to do this. The most common response was by email:

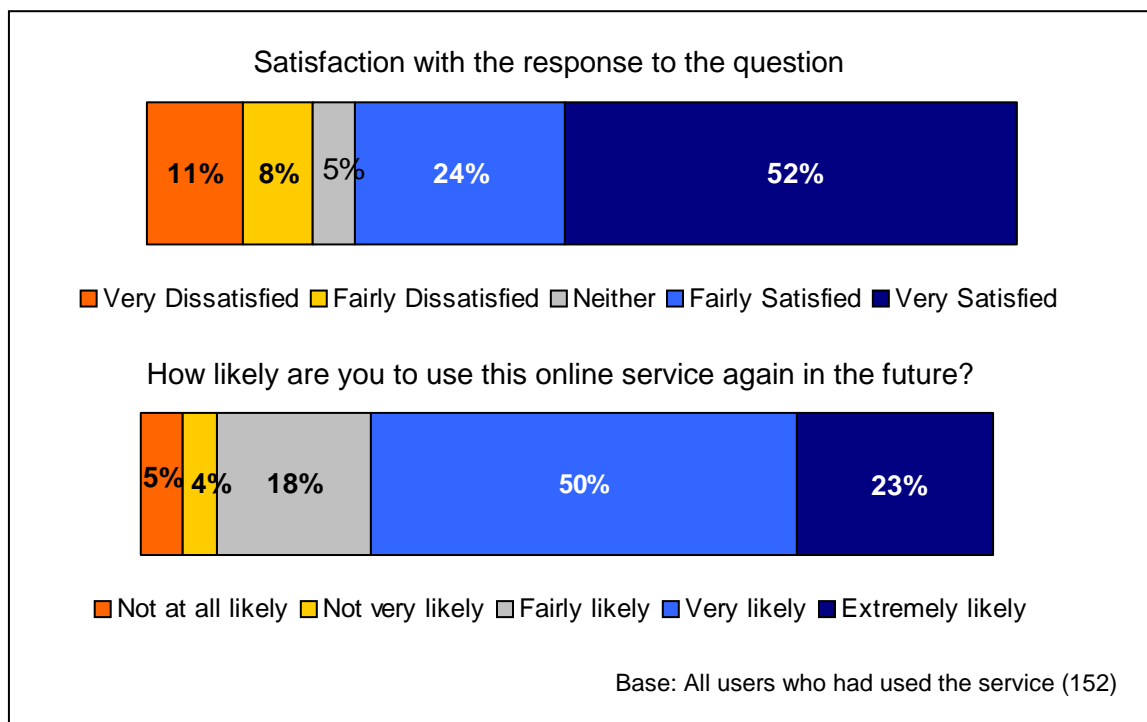
- By email via the SA Online website (48%)
- By telephone (45%)
- Face-to-face at an HMRC office or Enquiry Centre (4%)
- Writing a letter (2%)

In contrast, respondents in the qualitative study suggested that they would use the telephone for complicated questions that needed clarification, and with regards to questions nearing the deadline dates. A few respondents had asked a question via e-mail and found the response satisfactory; however they implied that they would not have used the service if they needed an answer urgently.

The preferred method of contact was dependent on age. For Users aged less than 40 the preferred method of contact was by telephone (54% of all Users aged less than 40). Users aged 50 and over were more likely to say they would prefer to ask a question face-to-face at a HMRC office or Enquiry Centre.

Users who had actually asked a question via email were asked a short series of questions about their experience including likelihood of using the service again in future and satisfaction with the response received. The results from these questions are summarised in Figure 6.3:

Figure 6.3 Satisfaction with response to email question / Likelihood of using the service again in future



Problems with the ‘ask a question’ service (SEF)

While 91% said they were likely to use the service again in future (73% saying ‘very’ or ‘extremely’ likely) not everyone was happy with the response they received. 77% said they were satisfied with the response they received the last time they emailed a question - leaving around one in five (18%) saying they were dissatisfied.

Nearly all the Users who were dissatisfied with the response said this was because they did not get an answer to their question at all. Users who had emailed a question via SA Online were also asked what they would change about the service if they wanted to improve it. Most Users said they would either change nothing or they did not know. However, the most common suggestions were:

- To receive a response / answer to the question
- To receive a faster response

These findings indicate that there are a large number of Users who email HMRC via SA Online who do not get a response to their query (or receive a slow response). This is one of the areas of SA Online services which could be

improved in the future particularly if HMRC are to promote this part of the service.

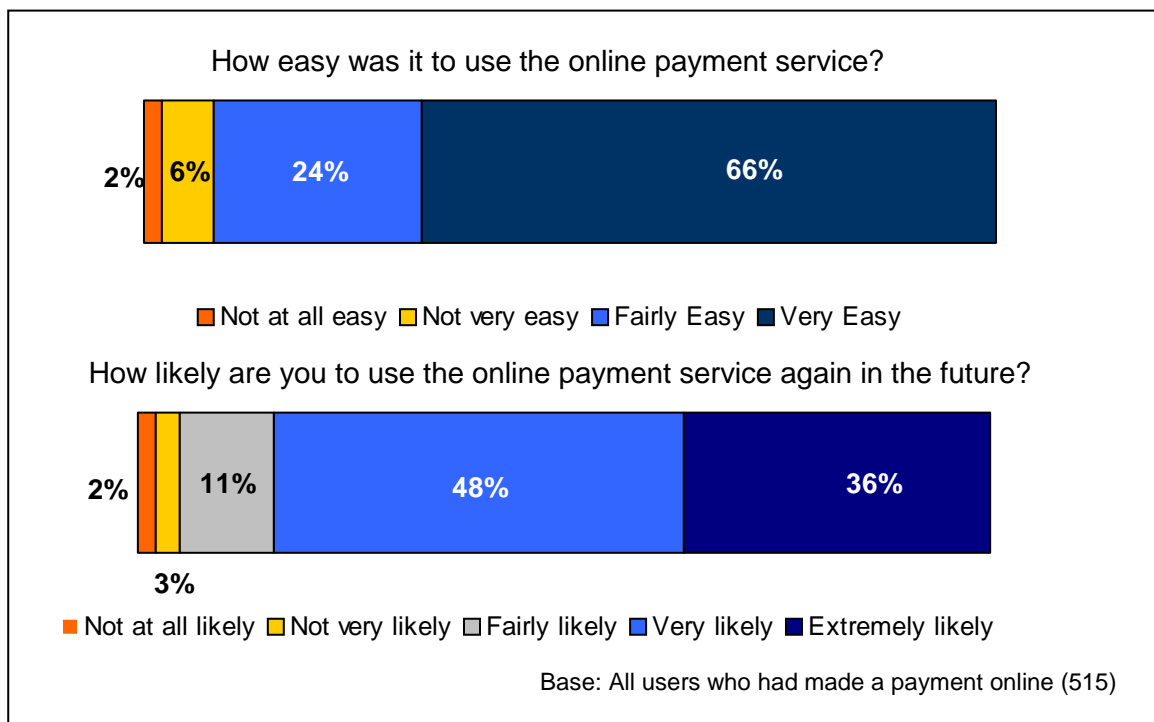
6.8 Making payments via SA Online directly to HMRC

With a quarter (26%) of all Users having used SA Online to make a payment to HMRC it was important to find out about Users' experiences of the service. Those who had used the service were positive about it:

- 90% said it was 'easy' to use the online payment service (66% saying 'very' easy)
- 95% said they were likely to use the service again in future (84% saying 'extremely' or 'very' likely)

Ease of use and likelihood of using the service again in future are summarised in Figure 6.4:

Figure 6.4 Ease of use and likelihood of using the online payment



Users were also asked to compare the payment service with similar services they had used on other sites such as online banking. 43% of those who had used similar services said the SA Online payment service was easier to use than other payment services; 27% said it was more difficult to use than other online payment services; and 33% said they did not know or had not used

other services to make a comparison. On balance, Users who were able to make a comparison thought the SA Online payment service was easier to use.

Respondents in the qualitative study who had used this service also found it easy to use and did not have any security concerns. Furthermore, making payments Online fitted in with their busy lifestyle where they conducted much of their financial affairs Online.

Problems with the online payment service

Despite Users being generally positive about the online payment service around one in ten (9%) said they had experienced a problem the last time they had used it. There were no significant differences between different sub-groups of SA Online Users who had used the service.

The number of taxpayers who had experienced problems with the payment service was small (48) but two types of response were particularly common:

- The system crashing / not working at all (25% of all problems experienced)
- Lack of communication / slow acknowledgement of payment being received (24% of all problems experienced)

Two typical responses to this question in the quantitative research were:

'There was something wrong with the website. It just would not accept my payment. I ended [up] doing it over the phone and it was fine'

'Late notification and receipt of the payment by Revenue and Customs'

Experience of problems was not strongly associated with specific sub-groups of Users. However, self-employed taxpayers who had used the service were marginally more likely to have experienced problems than other groups (12% compared with 9% overall).

6.9 Key findings related to the additional services

Awareness and uptake of the additional services remained low to moderate. However, potential interest in using the services was reasonably high:

- The majority of Users were aware of the: online payment service (63%), changing personal details online (60%) and email notifications (57%)
- Uptake of the services was generally quite low although a half of Users (53%) had used the email and text notification services and a quarter (26%) had used the online payment service
- Users who had used the additional services were positive about them – the majority describing them as easy to use and indicating that they would use them again in future
- Interest in using the services in future is highest for changing personal details online, email notifications and emailing questions to HMRC via the website. Levels of interest in the text notification service were very low
- HMRC may consider how to raise awareness of the additional services amongst Users of SA Online. The additional services are unlikely to draw new users into registering for SA Online but levels of interest in the services are high amongst those who are already registered

7 Summary and Conclusions

Overall the findings from the research were very positive. Users were positive about SA Online and felt there were a number of benefits to completing their tax returns online. This chapter draws together the key findings and conclusions from the research. These are related back to the objectives of the research:

- To profile and segment unrepresented individual taxpayers who use SA Online services
- To establish Users' needs and preferences in respect of SA Online services currently available
- To determine Users' perceptions of the benefits of using SA Online services

7.1 Profile and segment unrepresented individual taxpayers who use SA Online services

While cross tabulations and data are powerful tools with which to evaluate, multivariate analysis can also be helpful to gain a fuller understanding of quantitative data. Segmentation is one such multivariate tool.

Segmentation techniques were used with the aim of grouping Users together into clusters where each of the respondents in each cluster were attitudinally very similar to each other, while the clusters themselves were as attitudinally different as possible. For this survey, it was hoped that segmentation would reveal distinct groups of taxpayers within the Users population: Including Users who were very positive about SA Online services as well as those who had negative attitudes towards SA Online. Segmentation was attempted so that particular groups of SA Online Users could be targeted by HMRC for marketing purposes. However, attempts made to segment Users were not particularly successful.

There were various methods of segmenting Users all with the same aim of dividing the User population into groups of taxpayers who were as similar as possible to each other. BMRB used cluster analyses to develop a segmentation based on Users' attitudes towards technology and towards SA Online. This analysis did produce segments with qualitatively different

attitudes towards technology and SA Online. Unfortunately these segments were very similar both in terms of their demographic profiles and their sources of income. Consequently, segments within the User population were of little practical use to HMRC; there would be no way of targeting particular segments of Users for marketing purposes.

While attempts to segment Users were ultimately unsuccessful, simple comparisons can be drawn between Users and SA taxpayers more generally. Users of SA Online tended to be:

- More likely to be male
- Younger – less likely to be aged 60 or over
- More likely to be employees - 67% are employed compared to 49% of SA taxpayers generally
- Have completed SA tax returns for longer (43% have completed a tax return for more than 5 years)

SA Online Users are extremely positive about technology and currently use the Internet for a wide range of purposes. Research suggests that using SA Online is part of a wider pattern of online behaviour amongst Users. Nearly all Users: bank online (82%); pay for goods and services online (90%) and have broadband access at home (79%). Compared to Internet users in Great Britain, SA Online Users use the Internet more frequently and for a wider range of activities / services.

Users of SA Online are early adopters of technology. Nearly all Users agreed that they tried 'to keep up with technology' (91%) and that 'using electronic communications is the way forward' (93%).

7.2 Establish Users' needs and preferences in respect of SA Online services currently available

The online tax return was seen as the core function of SA Online. Users were positive about SA Online Services generally and the online tax return more specifically. The vast majority of Users intended to use SA Online and the online tax return again in future. Nearly all Users were also satisfied with SA Online Services and the online tax return.

SA Online appears to meet Users' needs and expectations. Users suggested a number of areas for improvement. Specifically – around one in ten Users suggested that the navigation between the pages of the online tax return *and* through the SA Online website more generally could be improved.

Use of the additional services varied considerably by the type of service. Half of all Users (53%) had received email notifications but uptake was much lower for all of the other services. In part this is related to Users' awareness of the additional services. Six in ten Users were aware of the online payment facility (63%); the facility to change personal details (60%) and the email / text notifications (57%). Only a quarter were aware that they could email questions to HMRC via the SA website (25%) and receive responses to a secure inbox (23%).

Interest in using the additional services in the future was high. More than eight in ten taxpayers (who had not already used the services) were interested in using each of the following: The facility to change personal details online (94%); Email notifications (84%) and; Emailing questions to HMRC via the SA website (84%).

HMRC might consider how they could promote the additional services to Users of SA Online. If the additional services were made more prominent on the website it is probable that awareness and uptake would increase.

7.3 Determine Users' perceptions of the benefits of using SA Online services

Users perceived three main benefits of completing a tax return online, these being; it was quicker than using the paper tax return (44% of all Users saw this as a benefit), getting an automatic tax calculation when you complete a return online (40%) and; it was easier than completing a paper return (28%).

The speed and ease of use of completing a tax return online seem to improve with experience. Users who had completed two or more online tax returns were quicker at completing their last tax return than Users who had completed online just once. Users who had completed two or more online tax returns were also more likely to rate the online tax return as 'easy to use'. So users continue to see benefits of filing online for years after.

It may be possible for HMRC to promote SA Online using these types of findings. The Department could emphasise that, although it may take a

taxpayer some time to register for SA Online initially, doing this may save them time in the long-term. To illustrate this point, Users who had completed two or more tax returns online were more positive about the speed of filing online than those who had only completed one. More than 90% of Users who had completed online more than once agreed that using SA Online services saved them time compared to 83% who had only completed once.