

Tax Credits and Household Break-ups

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Publication of data

HMRC has engaged Ipsos MORI to undertake an objective programme of research. It is important to protect everyone's interests by ensuring that the research findings are accurately reflected in any press release or publication.

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Checked & Approved:

Nick Pettigrew

Suzanne Hall

Nick Williams

Caroline Simpson

Executive summary

Background

In March 2007, HMRC piloted a new telephone-based process for tax credits claimants to make a new, single claim for tax credits following a household break-up. The process was designed to:

- Reduce the time period between the ending of payments on the old joint claim and the start of payments on the new single claim;
- Make the process easier for the claimant, in particular by removing the burden of having to complete a paper claim form; and,
- Make the process more efficient for both the claimant and HMRC by reducing the amount of time required for each stage of the process to be completed.

HMRC commissioned Ipsos MORI to conduct two waves of qualitative research. First, 41 depth interviews were conducted to compare the experiences and views of claimants who went through the pilot telephone process with those of control claimants who had used the standard form-based process. The second wave of research with 27 of the original claimants ran six months later to see whether their views of the pilot and control processes had changed following the finalisation of the old, joint claim and the annual renewal of the new, single claim.

Views of the telephone-based pilot process

Overall, the pilot approach was viewed positively, both by those who experienced the pilot process and by control claimants who were asked about it hypothetically. It was felt to be:

- A more pleasant experience than filling in a form;
- A quicker process overall, both in terms of submitting the new claim and moving into award;
- Easier for the claimant to use;
- More reassuring as claimants could be sure HMRC had received the information; and,
- More appropriate as it was less stressful than completing a paper form.

Some claimants from both pilot and control groups identified some more negative aspects to the pilot, although these should be seen as minor criticisms against the back-drop of a broadly favourable view:

- The cost of telephone calls (in particular from mobile phones), as mentioned by some control and pilot claimants. Concerns about costs appeared to relate to the possibility of being 'held in a queue'. There was no indication that the increased length of pilot phone calls made cost more of a concern for pilot

claimants. Those who were worried about costs said they would have to arrange to call from a friend or relative's landline phone or from Jobcentre Plus.

- Having to navigate an automated telephone system before they could talk to an advisor¹;
- The lack of ability to make a copy of, or ask someone to double-check, the information provided during the phone call;
- Having to speak to a different advisor and supply the same basic information again if the claimant needed to call back for any reason²;
- Concern about the possibility of advisor error when inputting the information provided; and,
- Feeling 'put on the spot' when asked to give information over the phone. This was only mentioned as a hypothetical concern by control claimants; it was not mentioned by pilot claimants who had actually been through the process.

In light of these criticisms, some claimants from both groups requested that the form-based process be maintained as an alternative to the telephone process.

Views of the form-based control process

Although overall it appeared claimants preferred the telephone-based pilot process, some advantages of the form-based process were identified, which included:

- Creating less time pressure on the claimant;
- Offering the opportunity to make a copy for reference; and,
- Giving claimants the chance to ask a friend or relative to check the form before sending it off.

The disadvantages of the form-based process were identified as follows:

- Claimants' dislike of filling in the claim form;
- Delays in receiving the form;
- The perceived length and complexity of the form; the language and terms used; and,
- The perception of a requirement to complete a new form if mistakes are made or submit a fresh form if any data is found to be missing from the first application³.

¹ It should be noted that the automated telephone system is a standard feature of the tax credits helpline and not specific to the pilot process; claimants experiencing the control process would also have had to navigate the automated telephone system in order to notify HMRC of their household break-up and request a claim form.

² As above, this is a standard feature of the tax credits helpline and not specific to the pilot process.

³ Claimants are not required to complete a new form if details are missing from the original form. This finding demonstrates how some claimants can misunderstand aspects of the tax credits system.

Deciding to report a household break-up to HMRC

The claimants interviewed tended to be aware of the need to report a household break-up to HMRC⁴. The delay between the end of the relationship and the reporting of the household break-up to HMRC varied between a few days to over a month. This variation appeared to depend on personal factors, such as the desire on the part of the claimant to wait to see if the relationship had definitely ended.

Waiting for payments on the new award to begin

Following household break-ups, tax credits tended to have become more important as a source of household income as claimants were often the primary care giver for children rather than the main earner in their former household. Claimants tended not to have been aware that their current claim would be terminated and that there would be a delay while their new award was processed. Consequently, they were not prepared for the resulting break of payments between the old and new claims which, in some cases, had led to financial difficulties.

Claimants tended to feel that HMRC should turn a claim into award and start making payments as soon as possible once a household break-up has been reported. Amongst those interviewed, the time taken for payments on the new award to begin varied from a couple of weeks to more than a month. For some of those who waited longer, their anxiety about the delay was compounded by the lack of information from HMRC regarding the progress of their claim.

Views of the award notice varied, with some claimants feeling that it was too long and complicated or that it should be clearer as to how the award had been calculated. In contrast, other claimants were happy to trust that HMRC had calculated their award correctly.

Signing and returning the award notice

Overall, claimants' preference for the telephone-based pilot process was not affected by the subsequent requirement to sign and return the award notice⁵. In some cases pilot claimants had not done this, and this had caused their payments to be delayed. Consequently, some suggested that this requirement should be highlighted more clearly on the award notice itself.

Those who did not sign and return their award notice as required were sent reminder letters asking them to do so. Some claimants who had received these letters felt that while they had caught their attention by warning them that their payments would be delayed or suspended, the tone of the letter should be less harsh and abrupt.

⁴ This is not surprising as claimants were selected from HMRC records of claimants who had called to report a household break-up.

⁵ Control claimants were only required to sign and return the award notice if they had not signed their claim form.

Finalising and renewing the new (single) claim

Claimants reported the household break-up to HMRC in March 2007, shortly before the start of the annual period for finalising and renewing tax credits claims between April and July.

Pilot and control claimants tended to understand and accept the need to finalise and renew their new single claim, and regarded both the process and associated forms as a fairly straightforward process. However, some added that they had been surprised that they were required to renew the new claim so soon after reporting the household break-up.

Finalising the old (joint) claim

Pilot and control claimants were overwhelmingly in favour of finalising the joint claim closer to the time of reporting the household break-up to HMRC. Claimants from both pilot and control groups had tended to be confused by the need to finalise the old joint claim. They had presumed their responsibilities towards the old claim ended when they informed HMRC of the household break-up. As a result, some presumed the Renewal Pack for the old claim had been sent in error or was just for reference. Others felt unable to complete the Annual Declaration Form for the old claim because they did not have access to information relating to their ex-partner. Generally, claimants felt there needed to be clearer explanation about why Renewal Packs were issued for their old, joint claim, as well as how to proceed if the claimant could only give partial information about the household circumstances prior to the break-up.

Overpayments and underpayments

When the old, joint award was finalised, HMRC calculated that some claimants had been under- or overpaid due to them having not reported a change of circumstances. Claimants were first notified of this on the final award notice issued after the old claim had been finalised. Receiving an overpayment or underpayment had little impact on claimants' overall preference for the pilot process. As with the process of finalising the old joint claim, claimants from both pilot and control groups who had incurred an overpayment arising from the old joint claim tended to be surprised when they were notified of it, as they had assumed that all matters relating to the old joint claim had been resolved months before when they had reported the household break-up to HMRC. Where the overpayment was a large sum, it came as a shock and a cause for concern.

Some pilot and control claimants were worried that payments under their new single claim would be suspended until the debt from the old joint claim was paid off; others said that overpayments should be automatically taken into account when the single award payments are established.

While some claimants in both groups contacted their ex-partner to discuss repayments, others left it to HMRC to work this out with their ex-partner. There were some suggestions that finalising the joint claim at the time when it was terminated

would help, as any overpayments would be identified then, when contact with the ex-partner was more common.

Unlike overpayments, underpayments appeared not to have caused claimants any difficulties and of those from both groups who had received them, some viewed them positively as they were glad of the extra money.

Introduction

Background

Tax credits claimants who experience a household break-up are required to submit a new claim as a single person or as part of a new partnership. Given the complex circumstances that are possible at the time of making this new claim, the potential exists for the experience to be more problematic than usual.

HMRC recognises that claimants going through a household break-up can experience specific emotional and financial difficulties and the Department is committed to exploring ways of reducing the burden for such claimants and ensuring that the claim process is as efficient as possible. This is in line with one of HMRC's key Public Service Agreement (PSA) targets relating to improving customer experience by providing *'simple processes that enable individuals and businesses to meet their responsibilities and claim their entitlements easily and at minimum cost'*.

In March 2007, HMRC piloted a telephone approach of processing new claims for those who had experienced a household break-up which aimed to speed up the reinstatement of tax credits whilst reducing the burden of form completion. This was done to try to make the process of submitting a new claim as a single person easier for the claimant, and more efficient for both sides.

Ipsos MORI was commissioned to undertake a piece of qualitative research work to compare the experiences of claimants who went through the pilot telephone process with control claimants who went through the standard, form-based process. Claimants' contact details were supplied by HM Revenue & Customs to Ipsos MORI for the purpose of conducting this research only in accordance with HMRC data security guidelines.

Study objectives

The qualitative research was specifically designed to tackle the following objectives:

- Explore the extent to which the tax credits process supports the needs of those experiencing a household break-up;
- Assess how easy it is for these claimants to make a new claim and the extent to which they are aware of the need to do this;
- Explore how effectively the pilot approach meets claimants' needs at this time and how this process might be further improved in the future;
- Investigate how easily pilot claimants were able to make a new claim over the phone, and, what, if any, barriers prevent such individuals from re-contacting HMRC to complete their new claim;

- Assess the length of time taken by the control group to complete the paper form for their new claim and ease with which they were able to do so, as well as any barriers that exist in relation to completing the form;
- Ascertain how both the pilot and control groups viewed their communications with HMRC and the extent to which they felt the Department supported them throughout this process;
- Ascertain the extent to which claimants feel they share responsibility for their previous joint tax credits claim with their ex-partner and how this has an impact on the relationship with the ex-partner; and,
- Investigate how claimants prefer to receive information about the tax credits process and the extent to which these preferences are driven by claimants' personal circumstances.

Methodology

The research adopted a qualitative approach. Face-to-face depth interviews were conducted with tax credits claimants who called the tax credits helpline between 19th and 22nd March 2007 to report a household break-up. The first 1,000 callers who called to report a household break-up between those dates were randomly assigned to either the standard form-based (Control) process of making a single claim for tax credits or to a telephone-based Pilot process. HMRC provided Ipsos MORI with details of 500 claimants who had experienced the control and 500 who had used the pilot process. Ipsos MORI sent an opt-out letter to all of these contacts, allowing them time to inform Ipsos MORI if they did not want to take part in this research.

The research comprised two waves. In the first wave, 19 claimants who had used the standard form-based (Control) procedure and 22 who had used the telephone-based Pilot process were interviewed in order to compare and contrast experiences of the two processes⁶. The second wave involved revisiting as many of these claimants as possible around six months after the initial interview to follow-up how their claim had progressed since the initial interview and whether this affected their views of the pilot and control processes.

Depth interviews took place in locations across Great Britain and claimants from a range of financial and family backgrounds and with differing experiences of using the tax credits process were interviewed. The length of the discussion varied between about half an hour and two hours, depending on the changes that had occurred in claimants' lives, the extent of their contact with HMRC and how easy it was for the claimant to discuss these topics.

The content of the interviews was determined by a discussion guide, which each moderator used during the interview to remind him or her of question areas and prompts. Copies of the two discussion guides are provided in Appendix B. The

stimulus materials used during the interviews to describe the control and pilot claim processes are shown in Appendix C.

The 'tax credits journey'

A core element of each depth interview was mapping the claimant's 'tax credits journey', from their initial claim, dealing with any changes in circumstances or new claims made. Each moderator recorded the tax credits journey, usually in the form of a diagram, detailing not only the event but also the experiences and perceptions of the claimant. A sample (anonymous) journey map is provided in Appendix D.

Report outline

Following this introduction, this report is divided into nine main sections:

- Decision to report the household break-up to HMRC;
- Making a new claim;
- Award stage;
- Reminder letters;
- Finalising and renewing the new (single) claim;
- Finalising the old (joint) claim;
- Overpayments and underpayments arising from the recent claims;
- Communications; and,
- The final Conclusions section, which draws together the main findings from this research and what this means for the tax credits process.

The decision to report a household break-up to HMRC

This chapter discusses the extent to which claimants were aware of the need to inform HMRC about the household break-up and their knowledge of how this would affect their existing tax credits claim. In addition, it looks at claimants' experience of reporting the break-up to HMRC, the point at which they made HMRC aware of the change in their circumstances and the role their ex-partner played in this.

Summary: The decision to report a household break-up to HMRC

Both control and pilot claimants were on the whole aware of the need to inform HMRC of a household break-up. Although this is not surprising given that the sample had all reported a household break-up, it is notable that awareness was not universal at the time of the break-up. There were some claimants who had called the helpline either to report other changes or because another agency had advised them to.

At the time of reporting the break-up, both pilot and control claimants tended not to be aware of the tax credits process, that reporting a household break-up involved closing the joint claim, and making a new claim for tax credits as a single person. This meant they were unaware that there would be a break in payments until the new claim was in order. Levels of knowledge about claimants' responsibilities to the old joint claim were also low.

Helpline advisors were regarded as polite, understanding and pleasant without being too intrusive about such personal matters. Some claimants disliked the helpline's automated telephone system and others, particularly those without a landline telephone, had concerns about the cost of calling.

The time between the break-up and reporting it to HMRC varied considerably. Some claimants called within a matter of days, whereas others left it more than a month. The time taken depended on various factors such as when the relationship was regarded as over; fear of overpayments; level of financial need; and some claimants having other priorities demanding their attention.

Among both pilot and control groups, claimants tended to be the parent with primary responsibility for any children, usually the mother. The primary care-provider tended not to have been the main earner in the household; consequently, tax credits took on a new importance as a key source of income following the departure of the main earner. Claimants tended not to discuss arrangements for claiming tax credits with their ex-partners after the break-up and left it to HMRC to follow up any outstanding issues with their ex-partner.

Awareness of the need to report a household break-up

On the whole, both control and pilot claimants were well aware of their obligations to HMRC to report a household break-up. This is unsurprising given that claimants were selected on the basis of having done so. Generally, there was a strong sense that this responsibility was made very clear in the literature received from the Department, as well as through television and radio advertising:

You hear it so often on the radio and on the telly, "if your circumstances change you must tell us". You've got to keep them informed haven't you?

Claimant A, Male, Pilot, claiming Child Tax Credit, High income

However, there were some claimants from both groups who had not been aware of the need to report a household break-up specifically, and had called the helpline to report a change of address or household income. Others had been unaware of this need until they were advised by other external agencies, such as Jobcentre Plus, the local council, a counsellor or a solicitor.

Interviewer: Before you rang HMRC did you know that people need to report household break ups?

No, I didn't I just literally phoned to ask if I'm entitled to anything as a standard single parent and they said that they wouldn't know until they'd seen everything and filled out the new forms.

Claimant B, Female, Control, claiming Child and Working Tax Credit, Low Income

Beyond this though, this line of discussion revealed varying levels of awareness as to what changes should be reported to HMRC⁷. Some pilot and control claimants reported *all* changes – no matter how small – to HMRC. This was largely driven by a fear of overpayments, with claimants wanting to be sure that HMRC had up-to-date details about them in order to ensure that their claim was accurate and in line with their current circumstances. There were others, in both groups, who only reported what they considered to be 'major' changes to HMRC. Along with a household break-up, these included a change of address, a new child or a considerable alteration in the number of hours worked/level of income received.

Awareness of how the tax credits system deals with household break-ups

At the time of their call, both pilot and control claimants tended not to be aware that reporting a household break-up would result in the tax credits system requiring them to make a new claim for tax credits. Indeed, claimants tended to be surprised to learn this. They had believed that it would only be necessary to amend their existing claim, as for other changes in circumstances reported, to reflect their new

⁷ Readers interested in reading more around reporting changes of circumstances should refer to the HMRC-commissioned report: Opinion Leader Research (2006) '*Research to explore claimants' understanding of the tax credits system and process of reporting changes of circumstances*'.

circumstance, and that payments would continue, albeit at a different level. This belief was common among both pilot and control claimants. Furthermore, some claimants from both groups had not realised that the payments from their old claim would cease and that there could be a break before they resumed under the new claim. This did not create too much difficulty for some but was quite problematic for others.

I just thought I'd be able to just go in and say to them, this is the story and they wouldn't have to cut it off. But they've backdated it, so it's not too bad.

Claimant D, Female, Control, claiming Child
Tax credits, Low Income

Experience of reporting the household break-up

Both the pilot and control claimants interviewed tended to say that the helpline was the main way by which they had updated HMRC with other changes in circumstances in the past, although this is perhaps unsurprising given that the claimants interviewed were recruited on the basis of having called the helpline. Those familiar with the tax credits system were more confident about using this channel as they knew what to expect from their previous experience of dealing with HMRC. However, even among those not familiar with the system there were relatively few complaints about the process of reporting a change in this way. Some claimants, from both the pilot and control groups, were put in touch with HMRC by other government agencies.

The level of support offered by telephone helpline staff was held in high regard by both pilot and control claimants. The understanding manner with which staff handled the situation was felt sufficient, and they were also described as efficient, polite and pleasant.

I think the service is very good. They explain to you the situation and they tell you exactly what to do... They were very polite.

Claimant E, Female, Control, claiming Child
Tax credits, Low Income

Claimants from both groups praised the 'light touch' offered by helpline staff. While helpline staff were seen as sympathetic, claimants welcomed the way that the call was 'to the point' and did not delve unnecessarily into personal territory. It was felt that some other agencies might enquire into the area of emotional support, perhaps asking about whether counselling sessions for any children might be necessary. The tax credits helpline was not felt to be the appropriate channel to offer such support.

Claimants' criticisms of the helpline were not specifically related to their call reporting the household break-up. Some claimants from both the pilot and the control groups believed that helpline staff were sometimes constrained by what these claimants saw as an inefficient system that resulted in callers being held in a telephone queue or

having to deal with an automated system⁸. They also questioned the costs incurred in calling the helpline and for some this has adversely affected their ability to report changes because they had to wait until a time when they could afford to call. This was a particular issue for those with no landlines⁹.

The timing of reporting a household break-up

There was a great deal of confusion about when to report a household break-up to HMRC, and much variation in the time taken to do so among both pilot and control claimants. Some reported the break-up almost immediately, while others let a month or more lapse before contacting HMRC.

The factors which drove reporting changes to HMRC were largely related to personal circumstances and the question of when a relationship was regarded as over. For some pilot and control claimants interviewed, the actual break-up was very clear-cut, for example, their partner admitted infidelity or either party clearly stated to the other that the relationship was over. In these situations, claimants were in little doubt that they could call HMRC and confidently state that there had been a definite change in their personal circumstances:

That was the day I walked out. It was the day I decided I'd had enough. So the day I moved back here like as a single parent, was basically the start of filling in a claim to me. That's how it was worked. So when she asked me when I moved and when we split up, to me it was just the same day.

Claimant D, Female, Control, claiming Child
Tax credits, Low Income

Other claimants from both groups were keen to report the break-up quickly due to a fear of receiving overpayments. Some of these were also of the opinion that making a joint claim when they were living as a single person was technically fraud. Other pilot and control claimants were quick to report a claim as they no longer had any income, now that their partner had moved out. Such claimants tended to put in a claim for Income Support first, before being advised that they should also contact the tax credits helpline.

However, for some claimants in both the pilot and the control group, the actual process of breaking-up was much less clearly defined. To illustrate, some highlighted how it was a volatile time for them with their partner moving out, and then back in after a period of reconciliation before, eventually, leaving again. Others had yet to move out of the shared home. There were also some claimants in both groups who were hopeful that they would be able to work their issues out with their partner and

⁸ An Interactive Voice Response (IVR) automated menu system is routinely used on the standard tax credits helpline. The exact format of the options changes throughout the year, but an example format can include: Press 1 if we have written to tell you our payments are about to stop; Press 2 if you are phoning about your Annual Review Pack; Press 3 if you are phoning about your existing tax credits claim; Press 4 if you are claiming for the first time or need help with the pack; For all other enquiries please stay on the line.

⁹ While calls to the tax credits helpline made from a landline are usually charged at the rate of a local call, the cost of calling from a mobile phone is determined by the network provider.

that they would return. While they were in this frame of mind, they were reluctant to report a change in circumstances to HMRC largely as they did not believe – or did not want to believe – that this would be a permanent situation. Due to this uncertainty over the state of the relationship, many from both groups were unsure as to when they should tell HMRC of the change in their circumstances and beyond this, on what date they should inform HMRC that the relationship actually ended.

In March we split up but I didn't actually tell them then. I think it was probably the beginning of the month... yeah probably about a month you might say.

Interviewer: And why did you leave it about that time to say?

Just trying to see if we could reconcile, coming back together again and that.

Claimant H, Female, Pilot, claiming Child Tax Credit, Medium Income

Indeed, some control and pilot claimants called for HMRC to allow a 'period of grace' to those that were experiencing a break-up time to resolve their personal situation and to determine whether the relationship had ended for good before being required to report this to the Department. These requests for a 'grace period' tended to be made to give the family time to deal with the emotional consequences of the break-up, rather than thinking about any likely impact this would have on their award:

I think there should be a period to allow you to determine whether you think your relationship's going one way or another, because it's too big a deal, too big a decision to be made overnight.

Claimant G, Female, Pilot, claiming Child and Working Tax Credit, High Income

Many in both groups also spoke of how they had to move home as a result of the break-up and, additionally, were concerned about the welfare of their children. In light of this, reporting the change in circumstances to HMRC and making a new claim was perceived as less important and something that did not have to be done immediately.

The speed at which the change was reported was sometimes, but not always, linked to the amount the tax credits award contributed to household income. There were some cases among both groups where dependency on tax credits for income did translate into a desire to inform HMRC of the situation, and similarly others where alternative sources of income meant there was less motivation to keep HMRC informed.

Perception of tax credits after the household break-up

Due to the sampling method used for this research, the interviews were with the individual who had informed HMRC of the household break-up, which tended to be

the parent with primary care for any children, and usually the mother¹⁰. In a number of cases, their ex-partner had been the main earner. This meant that, following the break-up, claimants had tended to see a substantial increase in their level of award, but also the loss to the household finances of much of the income previously provided by the main earner. Thus, their perception of their tax credits claim had shifted from being something that offered them a certain amount of financial leeway, to an award of money that was absolutely essential in covering the costs of living.

It's quite frightening and I think the most overwhelming feeling when you're dealing with family tax credits is your life is in somebody else's hands... You get used to a certain amount of money and these people can pull it on you at any time.

Claimant L, Female, Pilot, claiming Child and Working Tax Credit, Medium Income

The ex-partner's involvement

Claimants had tended not to formally discuss future arrangements for claiming tax credits with their ex-partner. It tended to be the case that whoever the children remained living with, would make the claim for Child Tax Credit¹¹. Both the pilot and control claimants interviewed had tended to be responsible for childcare. Any claims for Working Tax Credit were undertaken by the individual who was working.

The Child Tax Credit, I've always claimed for because they put it down to the main carer of the children and that would be me obviously. The Working Tax Credit I just said to him 'well the children won't be living with you, they'll be living with me. I'm still working so it's only right'. And he was like 'yeah that's fine'. Didn't have any arguments or anything, he just agreed to it...

Claimant K, Female, Pilot, Not sure which tax credits claiming, Medium Income

The role of the ex-partner is discussed further in the chapter about finalising the old joint claim.

¹⁰ In some cases both the claimant and their former partner had reported the household break-up to HMRC and made new claims for tax credits.

¹¹ None of the claimants interviewed in this study mentioned that their ex-partner had expressed any objection to them making a new claim for tax credits. It tended to be the case that claimants saw tax credits as 'the child's money', even where Working Tax Credit was being claimed, so it felt natural for the partner who had taken on the main responsibility for childcare to continue claiming.

Making a new claim

This chapter explores claimants' experiences of making a new claim for tax credits. First it focuses on the experience of the control group and what were regarded as the positive and negative aspects of using this method. It then concentrates on the pilot claimants and their views of the benefits and disadvantages to using the pilot method to make a new claim. This also draws on the thoughts of control claimants, who were asked hypothetically how they would feel about using the pilot process instead. Finally, there is a comparison of the two methods, which summarises and contrasts the issues discussed in the previous sections of this chapter.

The experience of the control group

Summary: Making a new claim: The experience of the control group

Some of the control claimants had a relatively smooth experience of submitting their new claim via paper form and cited few issues with this experience of making a claim. Indeed, using the standard tax credits paper form to make a new claim was felt by some to reduce time pressure on the claimant, as well as allowing them to make a copy for their own reference or ask a friend or relative to check they had completed the form correctly before sending it off.

However, a number of negative aspects were also reported. These included a dislike of filling in forms; delays in receiving claim forms; the perceived length and complexity of the form, the language and terms used; and the perception that there was a requirement to complete a new form if mistakes were made or submit a fresh form if any data was found to be missing from the first application.

A number of these factors, particularly the negative aspects, were also mentioned by the pilot group when they compared their new telephone claim with previous experiences of the paper form.

Positive aspects of the control process

Some of the control group were fairly happy with their experience of making a new claim. They felt they had experienced a relatively smooth process of submitting their new claim, believing the time taken to turn the claim around and the form they were sent were acceptable, although not always "outstanding".

I just rang the helpline and just explained the situation. They said, well, you need a new form to fill out and we'll send it to you in the post and it came like five days after. So it was quite, very quick.

Claimant M, Female, Control, claiming Child and Working Tax Credit, Medium Income

I mean the form was quite simple, basically they only asked me whether I received any benefits or I was living in the UK, whether I was working, whether I was at home, whether I get any childcare costs.

Claimant E, Female, Control, claiming Child
Tax Credit, Low Income

Using a paper form rather than providing the information to a telephone operator was felt to offer the following advantages:

- A lack of time pressure. Claimants could fill in the form as and when it suited, allowing them to work around their children's needs, when they had the information to hand and when they felt in the 'right' frame of mind;
- The possibility of asking a friend or family member to check the form before submitting it. This was more likely to be mentioned by those not used to dealing with paperwork and those whose English language skills were basic. Other agencies, such as Jobcentre Plus, were also able to fill in the claim form via computer, if desired; and,
- The option of photocopying the form to produce a record of information submitted. If any queries emerged about whether the correct information had been provided, claimants would be able to refer to the photocopy as proof that they had been honest in their submission.

Case study: A positive control experience

Katy and her partner split up over the Christmas period and he moved out on New Year's Day, 2007. He previously sorted out all the household finances so she was not really aware of tax credits until her divorce solicitor mentioned that she might be eligible for Working Tax Credit.

She waited until the divorce settlement was finalised before applying for tax credits. This was because she wanted to know whether she and her children would be able to stay in the family home. If they had to sell the house, she would probably not be eligible for 'benefits' as she would have a 'lump sum' from the sale of the property.

A relative looked up some information on the internet about tax credits and Katy then spoke to a Jobcentre Plus advisor. Katy went home and called the helpline to inform them of her situation. They set up another appointment for her with Jobcentre Plus, where the advisor completed the claim on his computer on her behalf. She was still waiting for confirmation of how much she could expect to receive but was hopeful that the confirmation and the payment would come through soon.

When pilot claimants were asked what they thought might be advantages of the control method compared to the pilot, some mentioned that "other people" might prefer this method for some of the reasons outlined above. However, none felt these were advantages which would apply to them personally.

Negative aspects of the control process

Control claimants also reported a number of negative aspects to making the new claim using the standard tax credits paper form. These included the following aspects, each of which is discussed in more detail below.

- The process of filling in the new claim form;
- Delays in receiving the new claim form;
- The complexity of the claim form;
- The length of the claim form; and,
- The perception of the need to complete a new form if their original form contained errors or omissions.

Filling in the new claim form

The information received from the helpline that reporting a household break-up required the termination of the old claim and the setting up of a new one for the future was of particular significance to the control group. Claimants believed that HMRC already had their personal details and so filling in the form again was deemed an unnecessary, bureaucratic task, and not a good use of claimants' time. This relates to the finding that claimants had not made the distinction between *amending* an existing claim and making a *new* claim. Ideally, from the claimants' perspective, the only details they should need to provide would be those affected by the impact of the household break-up (for example, a change in the amount of income received);

Well, I thought it was a bit odd, like I thought, well, if I've already got a claim, surely they should just be able to take him [the ex-partner] off it and I shouldn't have to go through all that filling out forms. They should just be able to do it on the computer.... I just thought, well, if I'm on the phone and I can give you all the details now, anyway, and you've got me on your system, you might as well just change them, but no, apparently I had to make a new claim.

Claimant D, Female, Control, claiming Child
Tax Credit, Low Income

Delays in receiving new claims forms

Delays in forms arriving ranged from taking a few days longer than required, to cases where it took more than ten days or, in a few cases, where the forms did not arrive at all. This, consequently, meant claimants needed to re-contact HMRC to request these forms again. While there was an understanding that these delays could be a result of the vagaries of the post service, there was some suspicion that HMRC did not print these forms and send them out to claimants as quickly as it could, or should, do. Some claimants also pointed out that it can then take a few days for their completed form to arrive at HMRC, which adds further to the time it takes to turn a claim into award. The time factor was a particular issue for those who wished to report subsequent changes to HMRC, as they found that the time it took

for them to receive and send back the forms could mean that the information was out of date by the time it arrived at HMRC. This made it difficult for them to keep track of what the situation was with their claim.

Case study: The difficulty of providing up-to-date information via a paper form

When Tina's husband moved out in March 2007, she informed the tax credits helpline and they promised to send her a form to make a new single claim. The form took some time to come and by the time it had arrived, Tina's husband had moved back in.

When she called up the helpline to let HMRC know about the reversal of the situation, she was annoyed to find she would have to fill in another form to 'reinstate' the joint claim but she went ahead and submitted another one. At the time of interview, she was completing yet another form, this time as a single claim, as her husband had moved out again. She did not know if he would be coming back again but could not afford to hold off submitting the claim.

There was a general sense that waiting up to a week for a form was understandable, although ideally the form should arrive in the next day or two; any longer than a week was felt not to be acceptable. However, to claimants relying on tax credits as a main source of income, even a week was a long time to wait to receive a form:

If you're a single parent you need to sort it out as soon as possible...

Claimant M, Female, Control, claiming Child and Working Tax Credit, Medium Income

At the very least, it was felt the helpline advisors should warn callers if it is likely to take much longer than a week. Some claimants believed that the difference between the date of postage on the envelope and on the letter inside proved that HMRC was slow about getting the forms in the post to claimants, and that delays were the fault of the Department rather than the postal service.

It's too much of a delay from when the letters are dated to when they're actually received and I don't believe it's the post, I think it's their time, whatever computer system's printed them off and then they've been put into envelopes. There's obviously rather a large delay.

Claimant N, Female, Pilot, claiming Child Tax Credit, High Income

Claimants mentioned that these delays caused them a number of concerns. Many were anxious, in the wake of their household break-up, to sort out their finances to enable them to budget effectively and determine what steps they needed to take next. Some also mentioned a lack of certainty that the completed form had arrived at HMRC promptly, if at all.

The complexity of the claim form

Claimants mentioned that the language was complex and that there was a great deal of jargon which made the paperwork more complicated than it needed to be. There was also uncertainty about why all the different types of information were needed by HMRC. In a number of cases, the claimant's partner had previously dealt with the paperwork or they had sought help from third parties such as a friend or Jobcentre Plus, so they did not have the benefit of previous experience when completing the form this time round. Those who did remember completing the form before could not understand why they could not simply fill in the sections of the form where details had changed (i.e. claimant details, household income) or else complete an abridged version of the form.

The length of the claim form

The claim form was often felt to be too long. Even where claimants were able to complete the forms without too much difficulty, working their way through the document was not perceived to be an appealing prospect;

I wasn't happy I'd got to fill all the forms in, but she [operator] was OK, the woman was all right. I just wasn't happy with the fact I'd got to fill, I mean you've seen the booklet, it's like massive. The whole process could be completed by means of that same telephone call.

Claimant O, Female, Control, claiming Child
Tax Credit, High Income

The perception of the need to complete a new form if their original form contained errors or omissions¹²

Some claimants expressed concerns that they would be required to submit a new claim form if they made any mistakes or omissions on their original claim form. This was particularly an issue for claimants who felt they lacked experience or confidence in completing forms, particularly if their ex-partner had previously tended to deal with the household finances and related paperwork. This inexperience meant they felt they were liable to make mistakes when completing these forms and they noted that using correction fluid or crossing out errors was deemed unacceptable by HMRC. Others who were familiar with handling such documentation felt that it was easy to make a mistake, even if they had filled in such forms before. If mistakes were made then these claimants felt it was necessary to request new forms, wait for these to arrive and then start the process again. They felt this would then cause delays in payments being received, and also take up more of their time.

Some claimants said they had been sent a new blank form together with a letter from HMRC stating that their original claim form had contained errors or omissions, but without any indication of exactly what information had been incorrect or missing. These claimants tended to object to being sent a blank claim form rather than their original form, as they then felt obliged to fill out the whole form again and felt they

¹² Claimants are **not** required to submit a new claim form if their original claim form contained errors or omissions. Rather, it is standard HMRC practice to correct any errors or omissions made on claim forms over the telephone, with HMRC staff calling claimants to collect the required information.

ran the risk of making the same mistake twice. Again, claimants felt this had caused delays in the time taken for them to start receiving payments. It should be noted that HMRC standard practice is to arrange for a member of HMRC staff to telephone claimants to collect missing or incorrect information. However, the findings from this research suggest that this may not always happen, as the following case study illustrates:

Case study: When claimants are not told what data is missing from their claim form

Tina received a letter from HMRC saying her new claim for tax credits had been rejected because she had not given the information required in the form. The letter did not state what information was missing or incorrectly submitted. Tina called up the helpline to try to find out what information she had missed but they were not able to tell her.

“She couldn’t tell me, just been rejected, so I [have] got to fill in another form and keep ringing up every few days in case it gets rejected again.”

She was unhappy that no one was able to tell her what information was missing and worried that she would provide the incorrect information again, which would delay her claim further. Tina was unimpressed that the onus was on her to follow up the progress of the claim, especially as she believed that calls to the helpline were expensive.

“She couldn’t tell me why it had been rejected, I just hadn’t provided some information and I says, ‘well, I’m only going to provide you with the same information as I provided before’. So it’s going to get rejected again.”

Tina was part-way through completing the new claim form again, although she had no idea what additional information she could provide that had not been given on the original form.

“I don’t know if I’m sending the form back with the same missing data, as I wasn’t aware of anything missing the first time round.”

Claimants from the pilot group mentioned many of these negative aspects of the control process when they were comparing their previous experiences of making a claim to their recent use of the pilot process.

The experience of the pilot group

Summary: Making a new claim: The experience of the pilot group

Pilot claimants were generally positive about the new method of making a new claim. They said it was more pleasant to deal with an advisor over the phone than complete a form and staff were praised for the manner in which they handled the phone call. In addition the pilot method was felt to be quicker and easier; claimants would know that HMRC had received their new claim and could start processing it; and it was a less stressful, more appropriate experience.

Some negative factors were mentioned by pilot claimants too. These included: the cost of telephone calls (in particular from mobile phones); the lack of ability to make a copy of or ask someone to double-check the information provided; some dislike among those who called back to supply additional information of not being able to speak to the same advisor as before; and the perception of the possibility of advisor error when they input the information provided.

The control group were also asked their thoughts on the pilot system. In addition to many of the factors already cited, they also mentioned some additional concerns. These were the issue of telephone security (particularly with regard to any incoming calls) and some also said they might feel 'put on the spot' if asked to provide information over the phone when they were expecting to be sent a form.

Positive aspects of the pilot experience

Claimants in the pilot scheme were generally positive about the new initiative of using the telephone to update personal details, rather than submitting the information via a paper form. The perceived advantages are detailed below, with each of the points subsequently discussed further. The pilot process was felt to be:

- A more pleasant experience than filling in a form
- A quicker process
- Easier for the claimant to use
- More reassuring as claimants could be sure HMRC had received the information
- More appropriate as it was less stressful than completing a paper form

A more pleasant experience than filling in a form

As reported in the previous chapter, claimants were, on the whole, impressed with the attitude and expertise of helpline staff, described almost universally by the pilot claimants interviewed as pleasant, helpful and professional individuals. This was true of contact in general, as well as during the recent new claim following the household break-up. The positive reaction to the helpline staff was of particular relevance as the pilot process necessitates a longer period of interaction with the advisors than the

control. Some claimants commented that it could be easier to tell someone sympathetic about the household break-up than to write it down on paper.

Helpline staff asked simple questions, in a polite manner, and this helped claimants understand the issues and what was required of them. Advisors' patience and the fact that they did not try and rush through the issues were particularly mentioned by the pilot group, who were providing a lot more information over the telephone than the control group. This patience was appreciated in particular by claimants who were new to dealing with forms and financial matters, as they often needed more guidance about the information required.

If you're not sure of a question they [helpline] explain it to you as well. Because if you get the form you've got to try and work it out yourself.

Claimant P, Female, Pilot, claiming Child
Tax Credit, Unknown Income

Staff were generally felt to provide an appropriate, but not intrusive, degree of sympathy to the claimants' changed circumstances. Some claimants drew comparisons with other benefit helplines they had called following the household break-up. Some other helplines had asked about how the family were coping emotionally, which was not something the claimant generally wanted to discuss over the phone with someone they did not know. The tax credits helpline was regarded as employing a sympathetic tone but keeping the transaction factual and to the point.

You don't really want sympathy and you don't want them to be unsympathetic, you want them just to process, just do what you've asked them, do what they're supposed to be doing. You're giving them the information that they want and then obviously that you need to give over and they're just doing their job properly and that's the main thing.

Claimant H, Female, Pilot, claiming Child
Tax Credit, Medium Income

A quicker process

Claimants generally agreed it was quicker to confirm details verbally (than writing them out on a paper form). This was particularly welcomed by those who did not rate their writing ability highly or did not feel comfortable communicating on paper;

She said 'look if you can give me the details over the phone we'll amend that and it's done'. Brilliant! I do not want to sit here for four hours in the night reading this, filling that in at 7 o'clock at night. No way. I've got better things to do.

Claimant Q, Female, Pilot, claiming Child
Tax Credit, High Income

Easier for the claimant to use

Helpline staff advisors were able to clarify if necessary with the claimant what information they required and answer any questions posed, rather than the claimant struggling to work out a term and if it applied to them. This process was felt to be more intuitive and logical and should, claimants hoped, lead to fewer incidents of claims being disallowed because of missing or incorrect data being submitted. Unlike the control group, the fact that the tax credits system treats a new claim as separate from the old joint one was therefore of less significance, as claimants were able to simply confirm or update information with the advisor, which involved less effort by the claimant.

They were telling me roughly what the amount of everything would be, and if I didn't have any letters, [or] any letters at all that I got through the post that I wasn't sure of, to ring them up, they'd be more than happy to explain them to me. There had been two letters that I was like 'hang on, what's going on here?' Rung them up and they explained it totally to me, yeah.

Claimant K, Female, Pilot, not sure which
tax credits claiming, Medium Income

Callers were generally aware of the possibility to call back at a later stage if they did not have the requisite information to hand and this usually functioned smoothly.

More reassuring as claimants could be sure HMRC had received the information

Claimants stated that another positive aspect of making a claim over the phone was the immediacy of the process; they did not need to worry about forms being delayed or going missing in the post. They therefore found the telephone-based pilot reassuring as they could be confident that HMRC had received the information. This was particularly true for those who had previously experienced delays in tax credits forms or correspondence arriving or getting 'lost in the post'.

When she said we can do that now over the phone that was quite a relief... I can guarantee that at least they've got the information.

Claimant R, Female, Pilot, claiming Child
Tax Credit, High Income

More appropriate as it was less stressful than completing a paper form

There was also a perception that the pilot telephone-based system was more appropriate for those that had recently experienced a household break-up. For many this was a stressful time in their lives and, therefore, they welcomed any efforts made to help them sort out their personal matters and financial situation.

The following case study illustrates how favourably the pilot process can compare to the control one, in a number of ways.

Case study: The pilot process improves the experience of making a claim

A couple of weeks after Wendy and her husband split up, she cancelled their joint claim for Child and Working Tax Credit, and put in her single claim for Child Tax Credit only (as she is not currently working). She was able to complete her new claim over the phone the same day as she called the helpline to advise them of the breakdown of her and her husband's relationship.

She was very happy with the system as it was quicker than the last claim which had taken over a month for payments to come through. She thought *"it was a lot easier over the phone than filling them [the claim form] out"* as she could ask the advisor to explain a question if she found it confusing, rather than trying to work it out for herself.

In her previous experience of claiming tax credits, she'd found that filling out the claim form could *"take forever"* and was *"a bit hectic"*. Previously she had found *"If we made mistakes or something's not filled in they just send you the form back to say you've got to re-do it all again"* which she found very stressful.

She also preferred giving her claim details over the phone because she was not confident in her own writing skills.

"Because when you've got somebody else doing it over the phone you don't have to break your arm"

When asked to sum up her recent experience of making a new tax credits claim, Wendy commented:

"I think it was very more relaxing over the phone than filling the forms out... I felt a big relief off my back"

When control claimants were asked for their views on the pilot process, on the whole, there was widespread support for this way of making a new claim. They mentioned many of the points already cited by pilot claimants. The strongest factors were that claimants believed that the time taken for their new claim to go into award would be shorter and it would be easier for them to make the claim, for the reasons already highlighted.

If I had the option to do it over the phone, it would have been done a hell of a lot quicker because I'd probably just have done it there and then. I wouldn't have to wait for them to send me the letter and then to send it back or the form even. So it would have been quicker.

Claimant I, Female, Control, claiming Child Tax Credit, Low Income

Negative aspects of the pilot experience

Some claimants did have problems with the pilot system, but such experiences were fairly limited. Other additional points were raised hypothetically by claimants who had used the control process. The problems were mainly linked to the following points, which are discussed in more detail subsequently.

- The cost of making the phone call
- Not being able to make a photocopy of the information provided and not being able to ask someone else to review the information given before it is submitted
- Calling back and speaking to a different operator
- The possibility of helpline advisors making errors
- Telephone security
- Timing and the feeling of 'being put on the spot'.

The cost of making the phone call

Claimants who did not have a landline telephone felt that it could be quite a costly exercise for them to call from a mobile¹³, particularly if they did not manage to get through to an operator immediately. The cost of calling the helpline was not mentioned by those calling from a landline, who would have been charged a local rate for the call, apart from when they had been kept waiting on the line for a while to speak to an advisor;

When I move out... I'll have a mobile because I won't be able to afford a landline as well and your credit's just going to get eaten up. If you're sitting on the phone, because they put you on hold quite a lot. They put you on hold and you're thinking your credit is just running away with you...

Claimant S, Female, Pilot, claiming Working Tax Credit, Low Income

There was no indication that the increased length of pilot phone calls made cost more of a concern. Concerns about costs related more to the possibility of being 'held in a queue'; those who were worried about costs said they would have to arrange to call from a friend or relative's landline phone or from Jobcentre Plus.

¹³ While calls to the tax credits helpline made from a landline are usually charged at the rate of a local call, the cost of calling from a mobile phone is determined by the network provider.

Not being able to make a photocopy of the information provided and not being able to ask someone else to review the information given before it is submitted

Filling in a form allowed the opportunity for someone else to check it and offered the claimant the chance to make a copy of the form to ensure that they knew what information they had provided to HMRC and, also, when this was sent off. These were no longer possible options if the process took place over the telephone. The desire to make a copy of the form as proof of the information provided (in case an overpayment happens in the future) relates in part to the low levels of awareness about the role of the award notice in the pilot process. In addition to clarifying the information provided for the claimant's records, claimants are required to sign the award notice to confirm in writing that the information provided is accurate. Award notices are discussed in more detail later in this report.

Calling back and speaking to a different operator

A small number of callers, especially if the issue was more complex than simply giving some additional details, wanted to be able to speak to the same advisor when they called back. Some felt there should be a policy that advisors should make sure that callers have their name so that when they call back later, they do not need to go through the details of their case again.

They're the experts they should have said now 'if you'd phoned someone and asked for me, you'll get back to me', because there's nothing worse than trying to deal with something and then you get someone that knows nothing about you.

Claimant S, Female, Pilot, claiming Working
Tax Credit, Low Income

The possibility of helpline advisors making errors

Some claimants cited concern over the possibility of helpline advisors making an error in the information they take down and hence leading perhaps to a delay in receiving the award or an incorrect award. There was one instance of this occurring, although this appears to be an isolated incident among the experiences of the claimants interviewed.

[The advisor] said, 'if you like, I can do it for you now', which I thought was a good idea, because once a form comes you think, oh my God, so he did it there and then. And then what happened, few days later, forms come through the post so I thought, why have I got forms coming through? So that's another phone call. 'I've received forms come through the post. Do I need to fill in the forms? I was under the impression I had already made my application on the phone at that time?' 'Yes, you have, you need to ignore the forms', so I was like, right, OK. And then the next lot of letters came through, and it was my rewards [the award notice]. That was wrong¹⁴, so then I had to phone them up again and say my hours were wrong and they're going to send me some amended rewards [the award notice] to then sign and then send off.

Claimant G, Female, Pilot, claiming Child
and Working Tax Credit, High Income

There were also occasional inconsistencies reported in the way in which helpline staff dealt with claimants. Although these were often recognised to be 'one-off' incidents, and the fault of the individual on the phone rather than the Department as a whole, they did serve to unnerve claimants and it shook their confidence in HMRC's ability to deal effectively with their claim. To highlight, one claimant spoke of how they were told that they were not allowed to ring the helpline more than once a day. This is not standard HMRC practice but this incident angered the claimant at the time.

I was asked to phone back with my details of my tax code, so I rang my boss, got all my tax code details and then was told by someone that no, you can't phone back on the same day. You can phone back 24 hours later and then that was the wrong information, so they put me onto somebody else. I spent a good hour and a half on the telephone and I got nowhere.

Claimant S, Female, Pilot, claiming Working
Tax Credit, Low Income

As such, there was a desire for some type of supporting paperwork to be issued, to enable any incorrect information to be highlighted and so avoid an incorrect payment. The function of the award notice is to provide claimants with a chance to review the information related to their claim and revise any necessary aspects, but the award notice does not always seem to be regarded by claimants as fulfilling this role.

It should always come as paperwork... as sometimes there's a mistake on the phone.

Claimant I, Female, Control, claiming Child
Tax Credit, Low Income

¹⁴ In this instance, the claimant's working hours were quite erratic. She believed she had advised the helpline of every change but the pace of change meant that the award notice, when she received it, no longer reflected the current situation – which she perceived to be the fault of the helpline operators.

However, while claimants said they would like supporting paperwork in theory, in practice they paid little attention to this when it was sent.

Some additional concerns were raised by control claimants, who had made their claim using a paper form but were asked to comment on the possibility of making a new claim by telephone. These related to:

Telephone security

The security aspect of giving personal information over the telephone was of concern to some but relates more to incoming¹⁵ than outgoing calls. Letters were felt at times to be more reliable and less vulnerable to pranksters or hoaxers.

I always like letters because on the phone you don't know who's calling. They can say like I'm calling from the tax credits office but you don't really know. You're not sure but when you get a letter then you know, you're sure it's from them.

Claimant J, Female, Control, claiming Child and Working Tax Credit, Low Income

Timing and the feeling of being 'put on the spot'

In spite of their criticisms of the system, control claimants believed that using the form-based control process at least allowed them the time they needed to consider their responses and ensure that the information provided was correct.

You do it in your own time, and you can actually read a question... and you can read it again and again, because when you're on the phone, if there's a question... sometimes you can't understand what the other person is saying.

Claimant E, Female, Control, claiming Child Tax Credit, Low Income

However, it should be noted that the pilot process offered callers the opportunity to call back at a later stage with any outstanding information. Reports of calls made as part of the pilot process indicated that claimants felt they were generally allowed time to consider the information they were supplying and call back if necessary.

¹⁵ It is standard practice for HMRC staff to telephone claimants to collect information which is missing or incorrect on the claim forms submitted by claimants. This procedure is followed for all new claims and is not specific to the pilot process.

The views of claimants for whom English is not their first language

Summary: Making a new claim: The views of claimants for whom English is not their first language

Some claimants for whom English was not their first language were interviewed. Some of these said they would prefer the control method over the pilot as it allows them to work through the form at their own pace and they could take the form to others with better English for assistance if they were struggling. However, another in the pilot group said that she found it easier as the advisor was able to explain the questions to her in simple language and he reassured her if she did not have some of the information available.

Among the control claimants interviewed were some for whom English was not their first language. For some of these claimants, the traditional paper-based approach to making a new claim was seen as preferable to the pilot. They stated that making their new claim via a paper form allowed them to work through it at their own pace, rather than needing to have forms to hand in a telephone conversation where the language might not be that easy to use.

She said 'can I have your National Insurance number' and... I had to get to the drawer to take it out the paper and see and I say 'have you got a minute?' She say 'call me back when you get it' and she hang up. She say 'I don't have the time here, you have to get everything ready before you call' and it was only going to take me one minute, less than one minute.

Claimant J, Female, Control, claiming Child and Working Tax Credit, Low Income

It also meant they could call on friends, family or other support services for help in translating questions, if required. Some claimants with poor English skills also worried that they might miss or misinterpret some vital information if it was provided over the phone. They believed that a telephone approach would be more stressful overall for them than completing a paper form and as these claimants were going through a difficult time already, they did not wish to add to this stress if possible.

Monday I sat down... and I just filled in the form, and I showed it to my older brother, he's very clever, but I just showed it to him and he told me where I was wrong and how I was right.

Claimant E, Female, Control, claiming Child Tax Credit, Low Income

You might not really understand what they're saying... Because if they send a letter then you can always read it and if the date is on it you can look at it again and say OK after two weeks or four weeks they [will] start paying me.

Claimant J, Female, Control, claiming Child and Working Tax Credit, Low Income

However, the alternative perspective was also presented. One non-mother tongue English speaker found it easier to use the pilot process than submitting the information via paper form because the helpline advisor could reassure her and explain any points she did not understand, using alternative terms.

I didn't want to fill in a form because it's easier to phone... You can do it in two minutes, you don't need to fill in the forms [and] if I don't understand something he can explain instead of sitting there, [asking myself] what do I do?

Claimant F, Female, Pilot, claiming Child Tax Credit, Low income

The role of Jobcentre Plus

Summary: Making a new claim: The role of Jobcentre Plus

Jobcentre Plus was one of the external agencies cited by control claimants as assisting with making new claims. Staff assisted claimants in understanding questions and what information was required at different points. In some cases they double-checked the form the claimant had completed; in others, they completed the form (on paper or an electronic version) on behalf of the claimant. Claimants were very appreciative of this support. Those seeking such help had generally had previous contact with Jobcentre Plus and some were not aware that tax credits payments are made by a different department than the one responsible for Jobcentre Plus. Consequently, approaching Jobcentre Plus felt a logical step for them to take.

Jobcentre Plus staff were cited fairly frequently by control claimants as helping with their new claims, and in some cases acting as intermediaries between claimants and HMRC. As the previous section illustrated, some claimants dealt with Jobcentre Plus entirely over the telephone. Some called their local Jobcentre first and arranged an appointment with an advisor; others simply showed up and waited. At this point, staff completed the form on behalf of some of the claimants by asking them their personal details and filling them onto either a paper or an electronic version of the form. Other claimants required assistance understanding the questions and what information was needed at different points on the form. In such instances, Jobcentre Plus staff often checked the form for the claimant to make sure they had provided all the necessary details.

Many found this to be a positive experience as the Jobcentre Plus staff worked to demystify and simplify the claims process by breaking down the questions asked on the form and conveying the facts in language that was easy to understand. The face-to-face support provided at this stage was also greatly appreciated – especially by those inexperienced in filling out forms of this nature.

They needed all the information from me on the phone and instead of doing it on the phone I arranged for an interview at the local Jobcentre which was easy for me because, I'd rather just do it face-to-face than on the phone.

Claimant E, Female, Control, claiming Child Tax Credit, Low Income

Jobcentre Plus was also viewed positively when compared against other organisations that claimants had dealt with: in particular, local authorities when processing Housing Benefit claims. Consequently, claimants tended to view Jobcentre Plus as a trusted and efficient organisation.

Claimants that reported changes, or made new claims, in this way, tended to have had previous contact with Jobcentre Plus. Consequently, they were aware of the kind of help that it could offer them. Some of them were unaware that tax credits payments were administered by a different government department than Jobcentre Plus and it felt logical to them to approach Jobcentre Plus in such situations.

Case study: Jobcentre Plus support gives a positive control experience

Erin found out about tax credits through the support worker she had been assigned as a young mother. When her partner turned violent, they split up and she had to make a new claim for tax credits as a single person.

The staff at Jobcentre Plus completed the new application form for her online. She received an award notice and a payment within 10 days. She found the system efficient and was not aware that tax credits are paid by a department separate to Jobcentre Plus.

She would prefer to be asked to complete a form rather than update her circumstances over the telephone because she could complete it at her own pace – and could ask her mother or staff at Jobcentre Plus to review any aspect she felt unsure about.

Comparison between the control and pilot processes

Summary: Making a new claim: Comparison between the control and pilot processes

The pilot was in general positively regarded, both by those who used the process and by 'control' claimants who were asked about it hypothetically. It was felt to address many of the issues raised as problems when using the standard paper form to make a new claim. There were requests however to maintain the form-based approach as a back-up method for those who did not feel comfortable using the telephone process.

The pilot was generally well received, by those claimants who experienced it, as well as by control claimants who considered it hypothetically as a method. It was thought that making the claim over the telephone potentially alleviated some of the problems caused by submitting information on paper forms. There was a general consensus that implementing the pilot process as standard would be a positive move, although it would be advisable to retain the control process as a back-up option for those uncomfortable or unable to communicate over the telephone.

Indeed a number of claimants did not realise that making a claim over the phone rather than via a form was anything out of the ordinary. Claimants were often used to

using systems like tele-banking, and some had previously reported a change in circumstances (such as a change in income level) over the phone mid-year in any case and, thus, saw this as just an extension of this process.

The principle reasons why claimants preferred the pilot process were:

- Claimants felt the pilot process was more efficient;
- Claimants felt it was easier to update information verbally with an operator (rather than completing a whole new claim form); and,
- Claimants felt that operators would be able to clarify with claimants the information required.

Other benefits were the immediacy of the pilot process, which removed delays caused by waiting for forms to arrive, and allowed the system to keep pace better with any subsequent changes in claimants' circumstances; all data are submitted as required without gaps (and claimants can call back if necessary to 'plug any gaps' in the information); and incorrect information can be overwritten if a claimant inadvertently gives the wrong information, rather than necessitating completing a fresh form.

Some of the claimants interviewed said they would prefer to make a new claim using a paper form. The strongest argument against the pilot process was the cost of making such a phone call, particularly for those calling from mobile phones. Some claimants also expressed a desire to retain the control process as a 'back-up' option as they felt that not everyone is comfortable speaking over the phone. Other reasons given in preference of the control process include the fact that claimants could no longer ask a friend or family member to review their information before submitting it to HMRC; the perceived necessity to provide all the information in a single call; and the reliance on helpline advisors recording data correctly.

Award stage

The subsequent chapters focus on claimants' later experiences of engaging with the tax credits system following their experience of the pilot or control process of making a new claim for tax credits. These later experiences are then discussed in terms of whether they had an impact on claimants' preferences for either the pilot or control processes.

This chapter discusses claimants' experiences and views of the period immediately after making their new claim for tax credits. During this 'award stage', both pilot and control claimants should have been sent an award notice telling them how much their new award would be, based on the information they submitted when making their new claim as a single person. They should also have begun to receive payments in this period. The chapter also focuses on pilot claimants' awareness of the requirement for them to return a signed award notice to HMRC to confirm the information supplied was correct¹⁶.

Waiting to receive the award notice and payments

Summary: Award stage: Waiting to receive the award notice and payments

Overall, the claims from the control claimants interviewed appeared to take longer to be processed than those of the pilot claimants interviewed¹⁷, although this also varied considerably within both groups. There were both control and pilot claimants who were satisfied with the length of time taken between their claim being submitted and their payments starting, but there were other claimants in both groups who were dissatisfied. Despite the potential for the pilot process to reduce the time taken, there were still some pilot cases where payments on the new claim did not begin within a couple of weeks of the new claim being submitted and claimants felt this was unacceptable.

Both pilot and control claimants stated that the lack of information from HMRC regarding their claim's progress during this period added to their sense of dissatisfaction. They said they would have liked reassurance that their claim had not been 'forgotten' or 'gone missing', as well as a likely timeframe for payments on the new claim to begin.

Claimants from both groups called the helpline to enquire about the progress of their new claim if they felt it was taking too long. While some control claimants were satisfied with the reassurance provided, other control, and pilot, claimants felt frustrated that the helpline advisors were not able to give an indication of when payments would begin.

¹⁶ Control claimants did not need to return a signed award notice unless they had forgotten to sign the claim form.

¹⁷ As these findings are qualitative, the experiences of the claimants interviewed may not be representative of all claimants who experienced the pilot or control processes.

There were some pilot and control claimants who did not recall being advised that payments would cease while their new claim was processed; these claimants were upset about this because they were struggling financially until payments resumed.

The length of time taken for the new claims to be processed by HMRC and for payments from the new award to begin seemed to vary within both the control and pilot groups. However overall, it appeared that the processing time reported was shorter for the pilot claimants interviewed than for the control claimants interviewed. In both the pilot and control groups, the claimants who were satisfied with the time taken tended to be either those who were less reliant on tax credits as a source of income, or those whose claim had taken only a couple of weeks to turn into award.

Some of the claimants who were unhappy with the time taken to process their award appeared to have unrealistic expectations as to how long it could take to receive and process a form.

It's only going to take one day isn't it to receive the letter... if they straightaway start to process it, they might be quicker.

Claimant J, Female, Control, claiming Child and Working Tax Credit, Low Income

However, others said they had reported the household break-up up to eight weeks before, or even longer, and were still waiting for their claim to turn into award¹⁸. Claimants from both the pilot and control groups indicated they would welcome any way in which the processing of claims could be speeded up. There were some suggestions that claims following a household break-up should be prioritised, given the likely financial uncertainties at this time.

As discussed previously, one of the perceived benefits of the telephone-based pilot process was that information was entered immediately into the tax credits system. Some pilot claimants believed this was likely to result in claims being put into award and payments being issued more quickly than under the form-based standard process. However, despite the potential for the telephone-based system to speed things up, some pilot claimants still had concerns about the time it had taken for their claim to go into award, and thought this should have happened sooner.

¹⁸ One pilot claimant, six months after making her claim and after payments under the new claim had begun, had still not received an award notice, just a photocopied letter with a grid on for each month, with the date and amount of payment for each month. While it is unclear what happened in this case, it appears this may be a schedule of payments that is set up when manual payments by cash/cheque are arranged in cases where a BACS payment has not been possible. Indeed, the claimant believed this was caused by some difficulties making payments into her bank account which meant that she had been receiving her tax credits payments via cheque. The lack of a formal Award notice meant she had not been able to qualify for reduced rates to do a college course, as she had not been able to prove how low her income was. She had postponed the course until the following year. Numerous calls to the helpline had not yet produced the desired award notice for her single claim. She had given up chasing the award notice for the time being as her enquiries did not seem to lead anywhere. She was very frustrated by the situation, but nonetheless grateful the tax credits payments were continuing.

There was a desire among both control and pilot claimants to be kept more informed about the progress of their new claim than was the case to date. There was a perception among control claimants of being 'left in the dark' once the claim form had been posted off, with some pointing out that there was no acknowledgement of receipt of the form. This feeling of being uninformed was particularly strong among claimants from both groups whose claims had taken longer than a week or two to process. These claimants wanted reassurance that their claim had not been 'forgotten' or 'gone missing', together with an indication of when payments on the new claim would begin. Claimants felt this would help them plan ahead financially as they could anticipate when they might have additional finances.

See I've just got no letter from them. This is my scrap bits of paper from that phone call and no, nothing... I just think that not having a letter at all, anything, just to say we're looking at your claim, anything, having nothing is annoying.

Claimant S, Female, Pilot, claiming Working Tax Credit, Low Income

Claimants from both groups tended to call up the tax credits helpline if they felt their claim was taking too long to process. Claimants from both groups also called up the helpline to enquire about why there had been delays with their claim. Some also said that advisors had not been able to give them the information that they felt really mattered to them, such as when a claim would be put into award, how much they would be entitled to and the reason for any delays¹⁹, although some claimants recalled being given a reference number by helpline advisors to cite when calling again²⁰. Some claimants from both groups said they would like to be able to call the tax credits helpline and receive a likely 'pay-by' date.

Some claimants said they had been required to make multiple contacts with HMRC in order to supply all the information required to process their claim²¹, or had been contacted by HMRC and asked to send in supplementary information; these claimants tended to feel this should have been dealt with in a single contact.

¹⁹ It is HMRC standard practice not to give claimants an estimate of how long it may take to process their award. This is because any errors or omissions on the claim form may delay the process significantly.

²⁰ It is not HMRC standard practice to give claimants such a reference number.

²¹ In one such case it appeared that the claimant had not understood the rules of the tax credits system at the time of completing her claim form. This had led her to make an error on the claim form which resulted in additional contact with the helpline after having submitted the claim form. This claimant's child had not yet taken up the childcare cited on the claim form. When interviewed, the claimant said she had wanted to be sure she would be eligible for some childcare payments before enrolling her child into childcare. The tax credits system requires that children take up childcare before claimants can make a claim to cover childcare costs. The claimant said she had not been aware of this at the time of completing her tax credits claim form.

I'm just finding it a bit hard... phoning them up all the time and I'm asking them how is it going and they keep getting back 'oh, seven more days, a couple more days, phone us back' and I phone them back and the last time they said to me 'oh, it's in process. It's gone through to finance. You should be getting it soon'. So then I received a letter on Friday saying that they still needed more details, asking me which I thought was my income and I thought, why can't they just phone me up?²²

Claimant W, Female, Control, claiming Child Tax Credit, Medium Income

Some claimants felt that this added an unnecessary delay to the time taken between making the claim and receiving payments. There was also a sense for some that the onus was on them to chase up the reason for any delay in the processing of their claim.

In some cases, these feelings were compounded by difficulties with the helpline itself, such as not being able to pass the helpline's security checks²³; having to wait too long in a queue to speak to an operator; or being told that there were problems with the computer system that meant advisors were unable to access the necessary information.

Some claimants thought that being required to ring HMRC several times during this period made the process of claiming tax credits more stressful. Others felt that these difficulties added to the stress they were already experiencing following their household break-up.

Case study: Lack of information about the progress of a pilot claim

When Jade's partner moved out in March 2007 she called HMRC to inform them of this. She was then told she needed to submit a new single claim for tax credits and this took place over the phone. She was initially pleased with how quickly the new claim was submitted and the relative lack of effort required from her. However, she was not told that the Child Tax Credit payments from her previous claim as a couple would stop while the new claim was being processed. When she noticed on her bank account that her payments had been stopped, she was very worried about how she would cope financially in the meantime.

Jade called the helpline a number of times to find out what stage her new claim was at but advisors were unable to tell her or let her know when she could expect payments to resume. This made life difficult for her and her initial satisfaction with the process evaporated. She eventually received her first payment of the new claim around 3-4 weeks after her first call. Although she was satisfied with the initial process of making a new claim for tax credits following a household break-up, she felt that HMRC should make more effort to ensure that claimants are aware that

²² It is HMRC standard practice to telephone claimants to collect information which is missing or incorrect on the claim form.

²³ For example, one pilot claimant had previously informed the helpline of her change of address; when she called up to check the progress of her claim, it appeared that her new details had not been logged so she did not pass the security checks.

payments under the old claim will stop and to ensure that the new claim is processed more quickly. She felt helpline staff should be able to give callers information about how their claim is progressing and when payments are likely to resume.

Some of the control and pilot claimants interviewed were unaware that payments under their joint award would be terminated and that it could take some time before the payments under their new single claim would commence. This gap in time was seen as problematic as claimants' income had tended to change dramatically during, or since, the household break-up. It was felt to add to the stress that some claimants were experiencing as they were unable to budget effectively or plan the need for future employment.

I was upset because I was struggling at the time because I was on my own and I didn't get any money at all. It [Tax credits payments] just stopped and I had to depend on my family to help me out with money and that.

Claimant W, Female, Control, claiming Child Tax Credit, Medium Income

Claimants suggested that more could have been done to ensure they were aware that no payments would be made whilst the new claim was processed. They felt that this should have been clearly explained at the time of notifying HMRC of the household break-up so that they could make some financial preparations.

I wasn't told that my Child Tax Credit allowance would stop... If it had been said to me at the time when I made that initial phone call to change over again, I wouldn't have liked it but at least I'd have been prepared.

Claimant X, Female, Pilot, claiming Child and Working Tax Credit, Low Income

There were some pilot claimants who received payments into their account before they had received the award notice confirming the level of award. While some of these claimants, including those with more spare funds, were not particularly concerned about receiving the payment before the award notice, others were worried that the money might have been paid in error. They were concerned that if they spent this money, and were subsequently told it had been paid in error, they might not be able to afford to repay it. They were therefore cautious about spending this money before receiving written confirmation.

Understanding of the award notice

Summary: Award stage: Understanding of the award notice

Some control and pilot claimants thought the award notice was fairly straightforward and easy to comprehend. However, other claimants from both groups found the award notice difficult to understand. Sometimes, this was because they were only skim-reading it. Some claimants in both groups had difficulty understanding some of the terms used on the award notice, or working out how particular details related to the overall level of award.

There was limited understanding among both groups of how the level of award was calculated. Some claimants wished for more information about how this level was worked out but others were content to trust HMRC's judgment.

Claimants from both the control and pilot groups tended to confuse provisional and final award notices; joint and single award notices; or award notices for different financial years. Some claimants thought that they had received a number of award notices because of HMRC duplicating paperwork. However, in a number of instances the confusion was because the claimants were not able to differentiate between the various award notices they had received at different stages.

Overall understanding

There was a range of opinion on how easy the award notice was to understand. Some claimants in both groups felt it was fairly straightforward and contained important information that they felt they should know:

It's just to give you a good breakdown of what you're entitled to isn't it? ... Obviously I want to see how it's all been worked out... I think it's quite a good form actually, quite self-explanatory.

Claimant A, Male, Pilot, claiming Child
Tax Credit, High Income

These claimants pointed out that there were notes and guidance provided with the award notice if anyone did not understand terms such as net and gross pay. Such claimants tended to have read the award notice in detail and were able to talk through what they believed it was telling them. It tended to be claimants who were cautious about the efficiency of the system, sometimes as a result of experiencing overpayments in the past, who read the award notice thoroughly and were aware of their responsibility to check that the information they had supplied when making their claim was correct.

Other claimants, from both the pilot and control groups, tended to focus on particular aspects of the award notice such as the award total or skim-read the information it contained, rather than reading it through thoroughly. Some felt they did not have the time to read the whole award notice, while others said they did not have the inclination or only wanted to know how much they would receive and when it would be paid.

[I look at] the figure in the box and then obviously what you'll be getting each month, that's the main figures to look at but no, I don't read the whole thing.

Claimant A, Male, Pilot, claiming Child Tax Credit, High Income

Some pilot and control claimants found the whole award notice too complex to understand. They felt it was too long and contained too much information, so that they could not work out the key points such as how the award level was calculated. For some claimants this was the case despite the fact that they had taken the time to read and try to understand the award notice.

I just find them [award notices] too confusing because you get, like, this is what you should get, this is what you're entitled to and then you get the next page with lots of numbers and even though I read everything I still don't understand them... the only thing I know is that they've put my working hours, how much I get yearly and then different money coming in and out and I just find that really confusing, not easy to read and understand.

Claimant B, Female, Control, claiming Child and Working Tax Credit, Low Income

However, in other cases, claimants who did not understand the award notice at all admitted that they had not read it properly.

I think the whole of it [the award notice] is hard to understand. I don't understand it all... I haven't even read this properly yet.

Claimant E, Female, Control, claiming Child Tax Credit, Low Income

A further issue was that both control and pilot claimants were not always able to distinguish between the different award notices they were sent, such as provisional and final award notices; award notices that related to the old joint claim versus those that related to the new single claim; and award notices for different financial years. When interviewed, both pilot and control claimants tended to refer generally to 'the tax credits forms' and often did not know which award notice was the most up-to-date, which ones related to different timeframes or which ones were no longer relevant.

It's just finding the right one. Where to look. See, another confusing thing is you get provisional Tax credits and then normal Tax credits and amended Tax credits...

Claimant X, Female, Pilot, claiming Child and Working Tax Credit, Low Income

Since reporting the household break-up in March 2007, some of these claimants had notified HMRC of a further change in circumstances, relating to the number of children in the household or to changes in income or employment. This resulted in an updated provisional award notice being issued, which added to some claimants' confusion regarding the different award notices they had been sent.

Claimants' confusion also related to a wider pattern of confusion around the different types of tax credits paperwork being sent to them. Overall, there was a sense that some claimants from both groups felt deluged by tax credits paperwork and were confused about the different functions of the various documents they were sent.

You always get a million bits of paper... saying different stuff. There is no consistency at all. With any phone call you make to the Family Tax Credits you end up with about six or seven envelopes within the next two weeks all saying different things...

Claimant L, Female, Pilot, claiming Child and Working Tax Credit, Medium Income

When claimants were unclear about the content or the purpose of different award notices, some would re-read the award notice to try to understand the situation further. Others would call the helpline, who were generally felt to be a quick source of clarification regarding any queries or actions that were needed.

Sometimes they send me letters and I'm like I don't understand what this means. So I ring them up say 'all right good...', and they're like 'yeah no problem', they go through it and they're fine.

Claimant K, Female, Pilot, Not sure which tax credits claiming, Medium Income

There was also a sense for some that personal stress and other issues competing for their attention at this time prevented them from taking the due care and attention that they would usually give to such matters. This was more likely to be the case where the break-up had not been amicable. For others, with less fraught situations, or those for whom tax credits formed a less central aspect of their household income, the situation was less stressful.

I'm normally so good at keeping on top of these things but I've just had so much on my plate recently.

Claimant AB, Female, Pilot, claiming Child Tax Credit, Medium Income

Claimants tended to say that they had kept the award notices they received each year (both provisional and final) as proof of what they were entitled to. There was a sense of the importance of retaining every piece of tax credits correspondence received, in case they needed to refer to it in the future. This appeared to be the case even when the claimant had neither read the document in detail nor understood it. There was a belief that all such correspondence would prove useful in the event of problems, such as overpayments, occurring. Claimants felt the correspondence would help them to understand how and why the problem arose and, if necessary, appeal against HMRC's decision.

Understanding of the award level

Control and pilot claimants tended to have a limited understanding of how the award level was calculated and which factors were taken into account.

Because they don't really seem to [say] the ins and outs of it [the award] or how it's worked out or anything like that.

Claimant L, Female, Pilot, claiming Child and Working Tax Credit, Medium Income

This perceived lack of transparency in the actual calculations process meant that claimants tended to feel they had no way of judging how accurate the calculations and the award level were.

Some claimants said they wanted more information about how award levels were worked out, with some wanting to know which factors were taken into account when calculating the award, such as income or the number or age of their children. This request was particularly strong amongst claimants who had previously incurred overpayments as they were keen to avoid this happening again. Other reasons for wanting to know more about how awards had been calculated included: to help claimants understand why any change in the level of their award had occurred; to be pre-warned about the likely impact of any further changes in circumstances; or to learn why they were receiving less than another party. For some, they simply wanted to satisfy their curiosity about the calculations to be sure they were receiving what they were owed. Some of these claimants added that they would not be able to challenge their award level without a better understanding of how it had been calculated:

Sometimes it says that if you feel that... you're not getting enough... you need to appeal... How do we know how much we're entitled to and how much another person's entitled to?

Claimant E, Female, Control, claiming Child Tax Credit, Low Income

Other claimants were less concerned about the lack of clarity of the award total, particularly given the other priorities competing for their attention following their household break-up. These claimants had no interest in how HMRC calculated the award level and were content to take the total on the award notice at face value.

Everything I have is on trust that they know what they're doing.

Claimant Q, Female, Pilot, claiming Child Tax Credit, High Income

Given the lack of understanding amongst claimants as to how their award had been calculated, claimants employed a variety of ways of 'checking' that their award was correct. Some claimants had little interest in getting to grips with the paperwork; they would just wait to receive the payment in their bank account and then check it against the award notice.

I just looked at it, at the bottom line, and thought 'right I'll wait and see if that goes into the bank' and it did, so that was it.

Claimant AA, Female, Pilot, claiming Child and Working Tax Credit, Medium Income

Others from both groups felt it was easier just to refer to their bank statement alone to see how much they would receive as tax credits payments. These claimants then anticipated this would be the amount they would receive regularly.

Other claimants from both the pilot and control groups who did not understand the award notice simply used a 'sense check' comparing their payments under the new award notice with those received previously to judge whether their award notice was correct or not.

I just check that the payments are still more or less the same.

Claimant O, Female, Control, claiming Child Tax Credit, High Income

There were also instances of claimants comparing their award level with those of family and friends in similar circumstances. Relating their changes in circumstances to their award was a means of reassuring claimants that they were receiving what they were owed. For example, they assumed that if their partner had left them, and therefore their household income had decreased, they would be eligible for a greater award. On the other hand, if one or more children were living with the ex-partner, claimants anticipated that a certain amount would be 'taken off' their award level, as illustrated in the following case study.

Case study: applying a logic check to the sum on the award notice

Jake moved out of the family home in January 2007 with his oldest child. He has two other children who live with their mother. He informed HMRC of the household break-up in mid-March, and went through the pilot process of making a new tax credits claim for the child living with him.

At the end of March, he received a letter from HMRC requesting further documentation to support his new claim. He had not got round to sending that in, but received his award notice and his first new payment in early April. He was pleased with how efficiently the system had worked and felt that the tax credits payment he received was what he expected, a third of what he had previously received for all three children. This tallied with the award notice he received a day or two later. He applied a logic check to this sum, and divided by three the amount he had received in previous years to cover the three children. This he then compared to the amount on the award notice. A few weeks later his other children moved to live with him too and his award was subsequently updated. Again, he compared the payments under that award to the ones he had received in previous years for all three children.

"If they're [payments] really low or ridiculously high, you think 'should I really be getting something like that?'... I've got a rough idea what I get for the boys because obviously we've been claiming for a few years now so the figures haven't changed

that much so I've got a rough idea of what would be the right figure for me and the three boys anyway"

Some pilot claimants with back-payments felt that the inclusion of back-payments along with the regular payments on the award notice made it difficult for them to work out how much their regular payments would be in the future. They felt it would be more helpful to have back-payments noted separately on the award notice to the regular payments.

To me this isn't very clear. I still don't know really what I was going to get per week. See, they backdated it to the date my husband left. So it's not clear what you're actually going to get per week.

Claimant Z, Female, Pilot, claiming Child and Working Tax Credit, High Income

Some were also confused as to why the regular payments sometimes varied slightly at different points of the year²⁴.

It doesn't say from period from and to or monthly... You presume that that's going to be every four weeks. And I don't question it.

Claimant Q, Female, Pilot, claiming Child Tax Credit, High Income

In addition, the following would be welcomed by some pilot claimants to help establish the likely level of award in future taking into account future events:

- Details of the level of award for *each* child. This was especially important for those with children approaching the end of compulsory full-time education. If there was a change in the number of children living in the household, or if a child did not stay on after the end of compulsory education, parents would be able to work out in advance the likely impact this would have on their tax credits award;

Well my daughter's 16 already. How long do I claim for her, then what happens, do you notify me, do I have to notify you, or what if she goes into education, what if she doesn't, what do I do?

Claimant G, Female, Pilot, claiming Child and Working Tax Credit, High Income

²⁴ Changes in level of award should not usually happen for new claims. However, the method that the tax credits system uses to reschedule payments when a claimant has notified HMRC of a change of circumstances can result in a slight change to the regular payment amount, even if the overall total award amount has not changed. Furthermore, if designatory are received or entitlement reduces following a change of circumstances then payments will reduce accordingly.

- Some indication of how their award level might change if they were to take on some (extra) work (for example, up to 16 hours a week or a full-time position); and,
- Whether the childcare element is payable even if a registered childminder is not used – and if it covers attendance at ‘after-school clubs’.

Understanding of terminology

Some pilot and control claimants found it difficult to differentiate the different types of breakdown that they perceived to be on the award notice. Some claimants reported difficulties understanding the back page of the award notice, whereas others did not understand the breakdowns provided on other pages.

It's the end of the letter when it shows how much money, which I don't know if I'm supposed to receive that or that I've already received it... they put all different numbers and in the end they say zero, zero, zero. So I just don't know where, how they do the whole [of] this calculating thing. At the front page it does say to you that you get paid at this day this much, that's clear, but the letter at the end I just never get that, how and what's the purpose of that.

Claimant B, Female, Control, claiming Child and Working Tax Credit, Low Income

Some pilot claimants on both Working and Child Tax Credit found it hard to understand the two sets of figures that were sent through attached to the same dates, but detailed separately on the award notice. However, others thought it would be easier to combine the two credits on a single form.

I think just on one page it'd be better than having on two separate forms. The Working Tax and Child Tax [Credits].

Claimant Z, Female, Pilot, claiming Child and Working Tax Credit, High Income

Others in both the pilot and the control groups did not understand some of the terminology used on the award notice, for example, phrases such as ‘Childcare Element’, ‘30 Hour Element’ and ‘Lone Parent Element Working Tax’. Others recognised some of the terms used but did not understand the logic behind how they affected the level of award individuals were entitled to.

Well I know about the 30 hours because I went through that a few years ago. They told me if you work 30 hours you get more than if you do less than 30 hours... It doesn't make sense. I would have thought if you worked less hours, you got more but I understand what they were saying.

Claimant O, Female, Control, claiming Child Tax Credit, High Income

There were also confusions around how the childcare element operated. One example was where a (pilot) claim for tax credits was for two or more children but only one qualified for childcare payments. On the claimant's first glance at the award notice there was confusion between the front page, which stated childcare payments were included in her payments, and the inside pages, which said that some of the children were not receiving childcare payments.

Others felt the entire form was too complicated and too full of terminology; such claimants just wished to be provided with a simple total of what payment they would receive and how often. This confusion was strongest among those who were inexperienced with understanding forms typically because their former partner had completed them for the household – and younger claimants who were less used to dealing with government more generally.

I keep them all... but I don't really understand them because they're a bit confusing. They've got so much information on... Just all the details that they've got on there, that's not straightforward.

Claimant AF, Female, Control, claiming Child Tax Credit, Low Income

The requirement for pilot claimants to sign and return the award notice

Summary: The award stage: The requirement for pilot claimants to sign and return the award notice

Some pilot claimants remembered being told about the need to return a signed copy of the award notice to HMRC or noticed this when they received the award notice. Some of these claimants had no difficulty fulfilling this requirement; others said they had called the helpline to double-check what they were required to do and claimed they were informed that they could confirm over the phone whether the information was correct²⁵. Other pilot claimants did not remember being told about the requirement at the time they made their new claim. Some of these noticed the relevant point on the award notice and did as was asked; others did not spot the relevant paragraph and so did not send the award notice back. This is unsurprising given that a number of claimants said they had not read the award notice thoroughly. However, there were some pilot claimants who insisted that they had not returned a signed award notice and that this had not had any impact on their payments.

Pilot claimants tended to feel that the requirement to sign and return the award notice would not cause problems as long as helpline staff were made aware of it. It therefore had little impact on their preference for the pilot procedure, although one

²⁵ It is not HMRC policy that such confirmation can be given over the telephone. Claimants must provide HMRC with written, signed confirmation that the information they have given HMRC to support their claim is correct. Under standard, form-based procedures, claimants give signed confirmation on their claim form. As the household break-up pilot involved claimants making a claim over the telephone, it was necessary for claimants to provide signed confirmation separately by signing and returning their award notice.

pilot claimant whose experience of getting her claim re-instated was more protracted was less enthusiastic. The need to sign and return the award notice did not affect control claimants' general preference for the pilot process; although some believed they would need assistance from the helpline in understanding the award notice.

As part of the pilot process, pilot claimants were required to sign and return a copy of the award notice to HMRC as confirmation that the information on it was correct. Control claimants would only have been required to do this if they had not signed the declaration on their claim form. All of the control claimants interviewed in this study had signed the declaration on their claim form as requested.

For some pilot claimants, this requirement caused no difficulties. They recalled being told about this aspect of the process when they were making their new claim and they found it very easy to sign the award notice and send it back to HMRC.

[I gave my] details over the phone. She said 'that's fine. We'll just send you a form. I need you to sign it and then send it back to me'. That's it. I said, 'OK, great'. So she took the details over the phone, amended my details and it was done. That's when I got the form and if you don't get it back she said within 30 days, then we'll have to redo your account again. I got 30 days to sign that form and send it back, which I did.

Claimant Q, Female, Pilot, claiming Child
Tax Credit, High Income

However overall, pilot claimants tended not to remember being told about the requirement to sign and return their award notice by the helpline staff at the time they made their new claim. Consequently, some pilot claimants were unaware of the requirement when they received their award notice. Other pilot claimants noticed the request to sign and return the award notice, either by reading the paragraph on the front page or by spotting the signature box on the last page. These claimants did as was requested and subsequently started to receive payments under their new claim.

It was right on the front of the form. 'What to do now'. It's pretty straightforward... It tells you to check that these details are correct and they were all fine.

Claimant AA, Female, Pilot, claiming Child
and Working Tax Credit, Medium Income

Other pilot claimants did not notice the requirement on the award notice to sign and return it to HMRC. This seemed to be because they had not read the award notice thoroughly.

If I'd have looked at the form, yeah, it's pretty clear that you're supposed to send it back but because I just get one after the other, after the other and they seem to say the same thing, you just tend to put it to the back and ignore it. So it was my fault but when I phoned up they should have said this needs doing, not 'no everything's fine'.

Claimant AE, Female, Pilot, claiming Child
Tax Credit, Medium Income

Some believed that the requirement to return a signed award notice could be more clearly drawn to the reader's attention.

It just needs to be made a little bit more clearer, probably highlighted 'you definitely need to sign this form otherwise your credits will be stopped'...

Claimant A, Male, Pilot, claiming Child
Tax Credit, High Income

Other suggestions were to make the different documents HMRC send out more distinctive, by printing anything requiring action on, say, green paper, or adding a central box on the front page stating 'Action required'. Claimants felt this would make it easier for them to work out which items required action and which could be filed away.

There were some pilot claimants who noticed the requirement on the award notice but called the helpline to double-check what they needed to do. Unfortunately some of the helpline operators did not appear to have been informed about this stage of the pilot process. They therefore advised pilot claimants that they could give confirmation that the information was correct over the telephone. When these claimants subsequently received reminder letters asking them to sign and return their award notice, as discussed in the next chapter, they disregarded these letters as they believed they had already given HMRC the confirmation required. Eventually, as HMRC had not received the signed confirmation required, these claimants' payments were usually suspended.

A couple of weeks later [after updating details via helpline] I had something come through to say 'right we are now stopping your tax credits because you've not sent the letter off'. So then they actually did stop them for one month...I phoned them up and says 'well hang on, I've already given you confirmation over the phone and somebody said that was ok'. And the one person says 'well you should have sent the form in as well'.

Claimant A, Male, Pilot, claiming Child
Tax Credit, High Income

Some of these payments were reinstated after claimants explained what had happened, with some claimants saying that they had not subsequently been required to sign and return the award notice. However, one pilot claimant whose payments had been suspended was required to submit a new claim for tax credits using a paper claim form.

Perhaps unsurprisingly, these pilot claimants tended to feel that helpline staff should be better informed as to whether claimants are required to sign and return their award notice, with some presuming that HMRC would provide further such guidance to its staff. They tended to believe there had been a simple misunderstanding and that as long as HMRC took action to prevent this happening in the future, the telephone-based pilot process would still be preferable to the standard, form-based process. They added that if verbal confirmation could be accepted, then this option should be stated on the award notice. While they tended to say that the experience had not put them off the pilot process altogether, they did admit to feeling more cautious about confirming details over the phone in future.

Obviously with me having an experience whereas I didn't send off one of those things and then my credit's just stopped, I'm obviously very wary about it now. So even though they're giving you absolute confirmation 'yeah, there's no problem, we'll take exactly what you're saying over the phone and you don't need to send that back in' I'm just a little bit wary.

Claimant A, Male, Pilot, claiming Child Tax Credit, High Income

However, one pilot claimant said that the mixed messages about giving verbal or written confirmation had led to her payments being suspended, and felt this had caused her to lose confidence in the system.

I'm really angry because all it would have taken is for that woman to say 'this needs signing and sending back', not 'everything's ok'.

Claimant AE, Female, Pilot, claiming Child Tax Credit, Medium Income

Initially this claimant had been very satisfied with the pilot process, but she now felt that any information provided over the phone should be backed up by written confirmation. It should be noted that this individual claimant's views were notably more negative than those of other claimants who said they had been told by a helpline advisor that they did not need to sign and return the award notice. It is possible this was a result of her having to submit a new claim via a paper form, which gave her a greater number of tasks to do to reinstate her claim. Furthermore, this situation also led to overpayments for her, as her paper claim was processed as an additional claim. Other pilot claimants, who provided verbal confirmation, simply had their claims reinstated with back-pay after a few weeks, and experienced no further difficulties.

There were some incidences of pilot claimants saying they had not returned a signed award notice, but added this had not had any impact on their payments. While this should not have happened, due to the confidential nature of this research it is not possible for HMRC to investigate what did actually happen in such cases.

Control claimants were asked to comment hypothetically on the requirement to sign and return the award notice. Some did not see that there would be any difficulty noticing the requirement to sign as they would be prompted by the signature box

when they were looking through the document, even if this was 'skim-reading' rather than reading in detail. However, others admitted that they would be unlikely to notice the explanation on the first page, and suggested this should be included next to the signature box.

Some control claimants said that the need to sign and return the award notice was not unusual as other companies who deal with customers over the telephone often send through paper copies for confirmation or for reference.

A lot of places do that anyway, like an insurance they'll say, or send you something through to check through, just saying you keep one copy and send the other copy back.

Claimant O, Female, Control, claiming Child
Tax Credit, High Income

Some from the control group felt that if claimants had not been warned of the requirement to return the signed award notice at the time of making the claim, they might be annoyed when they found out about it.

That [the requirement to return a signed award notice] would bug me, I think, if I'd done it over the phone and then I got a form back... You think you've dealt with that already and it's just something else to do isn't it... If they told you to expect a form then that would be ok.

Claimant AH, Female, Control, claiming Child
and Working Tax Credit, Medium Income

However, some believed that if claimants had been made aware ahead of time, for example at the time of making the claim, they did not feel this would be an issue.

Some control claimants felt they would be unable to return a signed copy of the award notice as they did not understand it sufficiently. This was particularly the case for claimants who had received help from Jobcentre Plus or 'the Social' to complete the initial claim form. Such claimants imagined they would have to call the helpline in the hope that an advisor would be able to talk them through the award notice and clarify any uncertainties.

I think I would have to phone them because I don't understand them [award notices] that well... I get so many numbers there, so many things there that I never know exactly what they are, what their numbers come from. I'd probably have to phone them and [ask them to] be more clarifying on the phone.

Claimant B, Female, Control, claiming Child
and Working Tax Credit, Low Income

However, these control claimants were still broadly in favour of conducting as much of the interaction as possible with HMRC over the telephone.

Comparison between control and pilot

Overall, claimants' experiences and views of the period between making their new single claim and receiving their first payment under it did not seem to be determined by whether they had experienced the pilot or control process. Within both the pilot and control groups there were those who were satisfied with the length of time it had taken for payments to begin and those who were less satisfied.

Understanding of the award notice, the level of attention paid to it and the level of interest in its contents also varied within both groups.

The key difference at this stage between the process experienced by pilot claimants and that experienced by control claimants arose from the fact that pilot claimants had made their new claim over the telephone while control claimants had submitted their new claim on a paper claim form. While control claimants were only required to sign and return their claim form if they had not signed their claim form, all pilot claimants were required to send back a signed copy of the award notice to confirm that the details they had submitted when making their claim were correct. Despite this extra requirement under the pilot process, claimants from both groups still tended to be in favour of the telephone-based pilot process, wishing for as much of the tax credits process to be conducted over the phone as possible.

Reminder letters

Reminder letters were sent to some pilot claimants to let them know that they had not fulfilled their responsibilities with regard to returning a signed award notice. The requirement to return a signed award notice applied to all pilot claimants. The reminder letters sent out were standard letters used across the tax credits system and not specific to those experiencing a household break-up. This chapter explores claimants' views and understanding of the reminder letters and details any improvements they suggested to the letters.

Summary: Reminder letters

Some of the pilot claimants who had received a reminder letter had sent the signed award notice back recently and were worried that their award notice had gone missing. Others who had only provided verbal confirmation to a helpline advisor did not remember receiving the reminder letter or had disregarded it, believing the verbal confirmation they had given to be sufficient. One pilot claimant said she had received the reminder letter but not the award notice.

Some pilot claimants understood why the reminder letter had been sent while others did not. However, regardless of whether they understood its purpose or not, claimants' attention had tended to be focussed by the letter's warning that payments could be suspended.

Some pilot claimants had felt their reminder letter was threatening or intimidating and thought its tone was too abrupt. They felt a letter encouraging them to call the helpline to discuss their claim would have been just as effective while being less worrying for them.

Therefore the message appears to be that while the reminder letter should warn claimants that their payments may be suspended in order to get their attention, the letter and the warning should be phrased in a less abrupt tone.

Some pilot claimants did as the letter requested and sent back the signed award notice. Others called the helpline to double-check their obligations. Claimants who had received a reminder letter despite sending back the signed award notice also tended to call the helpline to check the situation. The cases where payments were suspended as a result of claimants providing verbal rather than written confirmation of the details tended to be re-instated a month or so later, once it became clear that they had provided some type of confirmation.

Understanding of why the reminder letters were sent

As discussed in the previous chapter, some pilot claimants simply skim-read their tax credits paperwork, and so did not notice the additional actions they were required to take with regard to the award notice. This meant that the reminder letter was the first time some claimants were aware of the requirement to sign and return their award

notice; consequently, these claimants tended to be surprised by the letter and not always sure of what steps they needed to take.

Other pilot claimants had given verbal confirmation of the information contained and understood from the helpline that this was sufficient²⁶. These claimants either did not remember receiving a reminder letter or disregarded it, believing they had already given confirmation. They were only alerted to the need to supply a hard signature when they called the helpline to enquire about why their payments had been suspended.

Some pilot claimants understood the reminder letters' request to return a signed copy of the award notice. These claimants generally accepted that this was part of the process and understood that it was in their own interests to comply to ensure the continuation of their tax credits payments.

[It was] just a letter to sign and say that you agree and they agree with the information that's been given and then sign it and send it back... I did that and that's it. Done.

Claimant Q, Female, Pilot, claiming Child Tax Credit, High Income

Other pilot claimants were unclear about why they were being sent a reminder letter and tended to call the helpline to clarify what they were required to do and why²⁷. When interviewed, some claimants were still confused about what they needed to do, as in the following example where the claimant was under the impression that she needed to write a letter to HMRC confirming the details she had given were correct rather than just sign and return her award notice.

I just had another letter about written confirmation about my award, because I didn't write and tell them that everything was right, but they didn't ask me to write... nobody said, 'write us a letter', but they still said, they'll stop it [payments] if I don't get in contact with them by 25th.

Interviewer: So the first letter didn't ask for anything and the next letter said get in touch with us quickly?

Write us a letter and tell us everything is correct...

Claimant AE, Female, Pilot, claiming Child Tax Credit, Medium Income

There were also instances reported where it appears that communications had crossed in the post, with reminder letters being received by claimants even though they had already sent their signed award notice back to HMRC. Claimants said this

²⁶ It is believed that helpline advisors at HMRC contact centres not involved in the pilot had not yet received the necessary information about how they should advise claimants who had experienced the pilot process. This has been subsequently corrected.

²⁷ In one case, where there appear to have been difficulties issuing the payments, a reminder letter was sent out but the original award notice did not appear to have been sent. Despite the claimant notifying the helpline of this, she continued to receive reminder letters about the need to sign and return the award notice.

caused added confusion and stress, as they did not pick up on the note to ignore the letter if they had replied within the last seven days. They simply focused on the potential for their payments being suspended.

I got this letter, signed it, sent it back. My money went in... and then I got a letter about a week later, which was scary saying, 'we've stopped your money. You haven't sent us anything back, we're shutting down your claim'. And that is terrifying when you're a single mum....So I phoned them... They said, 'no problem, no problem. Yes, we have received it. We're very sorry. It's a standard letter'... I said, 'well, can you not send me standard letters then?' Because standard letters can be really quite frightening.

Claimant L, Female, Pilot, claiming Child and Working Tax Credit, Medium Income

Some also wanted greater reassurance from helpline staff that they were referring to the individual's specific claim when giving information about whether payments were likely to be stopped, rather than providing generic advice that if they had sent back the signed award notice payments would continue. These claimants found the potential for payments to be halted very worrying and wanted specific reassurance that this would not happen to them.

Views of the reminder letter

Claimants tended to have negative views of the reminder letters they had received, and this tended to relate to the central message that payments could be potentially halted. This appeared to be particularly worrying for those claimants for whom tax credits were a main source of household income.

There was also a perception that these letters could be threatening or intimidating and that the tone was too abrupt – especially considering that some of this audience were experiencing quite a high degree of personal stress following their household break-up. Indeed, one claimant compared these letters to those that were received from the bailiff. This may be related to the general image of the Department, as held by the claimants interviewed, as distant or intimidating due to its official nature and perceived role in policing financial matters. Some claimants felt that the tone of the reminder letters compounded this perception of HMRC:

When they send that letter it is quite frightening because you think suspension, and that's it, it's just a sheer panic arising in your head.

Claimant K, Female, Pilot, Not sure which tax credits claiming, Medium Income

Some of these claimants said they would have preferred to have been sent a letter asking them to call the helpline to discuss the claim, rather than a letter saying that their claim might be suspended, which they felt was threatening and worrying.

However, other pilot claimants believed that using ‘may’ rather than ‘will’ in the letter when discussing the possibility of suspending tax credits payments was clear enough. Indeed, some thought this potential needed to be highlighted to encourage claimants to take the required action.

Some claimants felt that the award notice should be clearer in what it requires of pilot claimants in order to reduce the need for reminder letters to be sent. Claimants felt that this stage of the process should be mentioned during the initial phone conversation and any subsequent calls to the helpline to enquire about progress²⁸. In addition, some claimants felt that the requirement needed to be highlighted on the award notice, to reflect the fact that not all claimants read the notice in detail.

Be a bit clearer in the first place. It is quite worrying when you just get letters saying, we'll stop your tax credits if you don't send the confirmation letter by such and such a date, because I never even realised I had to send it.

Claimant AE, Female, Pilot, claiming Child Tax Credit, Medium Income

Some claimants also said they recalled receiving letters that had been signed by a named contact at HMRC. These claimants said that initially they had appreciated this personal touch, but it had subsequently caused additional complications for them. This was because while a surname was given, there was not always a title (for example, Mr, Mrs and so on) or a first name (just an initial e.g. D. Smith). Therefore, these claimants said they had found it difficult to call up HMRC and speak with their named contact. However, it should be noted that it is not standard HMRC procedure to give an individual member of staff's name or contact number on such letters. The reminder letters are usually unsigned and the contact number is usually the generic helpline number²⁹.

Actions on receiving the reminder letter

Some pilot claimants followed the reminder letter's instruction and signed and sent back the award notice. Other pilot claimants called the helpline for advice and said that advisors did not always seem to be aware of the pilot process³⁰.

Some claimants felt the advisor did not appear to know what steps needed to be taken with regard to the reminder letter.

²⁸ It was standard HMRC procedure for helpline advisors to inform pilot claimants of their responsibility to sign and return their award notice during the initial telephone call in which they made their new claim. None of the pilot claimants interviewed recalled being told this by advisors, although some were aware of the need to sign and return the award notice as a result of reading the award notice thoroughly.

²⁹ Unfortunately it is not possible to explore how these claimants came to feel that they had received letters signed by a named contact at HMRC. However, this does illustrate further how tax credits claimants can be confused about the processes they have experienced.

³⁰ It is believed that helpline operators at call centres not involved in the pilot had not yet received the necessary information about how they should advise claimants who had experienced the pilot process.

I had to read out the letter that I'd received two or three times to the girl so she could understand it and then it would be, 'oh, I'll just go and check with my team leader'. Which I can understand, you have to go and check with someone, but, I don't know, I just didn't have confidence that she understood exactly what I was saying although she was trying to be helpful.

Claimant N, Female, Pilot, claiming Child
Tax Credit, High Income

Where pilot claimants had already sent the signed award notice back to HMRC but were still sent a reminder letter, the claimants felt panicked about the possibility of HMRC canceling their claim. They tended to call the helpline to find out what had happened to their claim. Some said that they were then told by advisors that it would not be necessary to send in a signed award notice.

Two weeks after I had a letter saying 'we haven't received your confirmation'... they said if they don't get it they're going to suspend my claim. So... I phoned them up and said 'look I have sent it back'... and they said well they haven't received it but they took the like declaration over the phone... [The advisor said] 'we'll say even though we haven't received it in writing you've said yes everything's ok and your payments won't be suspended'.

Claimant K, Female, Pilot, Not sure which
tax credits claiming, Medium Income

Others said they were told that as long as they returned the Renewal Pack this would confirm the 2006/07 single claim details.

I phoned them up and said 'I don't know what you want me to sign. What shall I do?'. And she said 'don't worry about it, we're going to send you a Renewal Pack, everything's fine'.

Claimant AE, Female, Pilot, claiming Child
Tax Credit, Medium Income

This resulted in these claimants' award payments being suspended, although these tended to be re-instated once it became clear that the claimant had given verbal confirmation of the details³¹.

³¹ One of the claimants interviewed had appealed against the suspension of her payments. Her appeal failed, and she was told subsequently that she would have to make a new claim as her other one had been cancelled. She was annoyed because she had to make the new claim via paper form rather than by calling the helpline as had happened in March. She had to wait 10 days before the forms arrived and then did not find the forms easy to fill in. Her payments eventually resumed but she then discovered that she had received an overpayment as her original claim had not been taken into account when her paper-based claim was being processed.

Comparison between control and pilot

It is not possible to compare the experiences of control claimants and pilot claimants with regard to the reminder letter as none of the control claimants interviewed received one.

Overall views of the pilot in light of receiving a reminder letter

Receiving a reminder letter did not have any impact on pilot claimants' views of whether a telephone or form-based claim would be more preferable. Even those claimants who gave verbal confirmation rather than written and subsequently had their payments suspended, said that they still preferred the telephone-based pilot process over the standard form-based process; these claimants believed that as long as a consistent message could be given at all stages of the process, this would not be an issue in the future.

Finalising and renewing the new (single) claim

This chapter details claimants' experiences of finalising and renewing the new claim submitted after the household break-up. The old (joint) claim is dealt with separately in the subsequent chapter. The finalisation and renewals period takes place after the end of each financial year. In this process, claimants finalised their new claim award for the previous year (i.e. 2006/07) and renewed the new claim for the current year (i.e. 2007/08). Prior to this, payments under the 2007/08 claim were made based on details given at the point of making the new claim.

During the 'renewals period', HMRC sends out an Annual Review Form to all claimants, usually by mid-June. An Annual Declaration Form is also sent to claimants at the same time, except in auto-renewals cases³². The two forms together are known as the Renewal Pack. The Annual Review Form outlines details of the previous year's claim as information to be checked and confirmed through either completing the Annual Declaration Form (confirming their 2006/07 income, benefits details and any changes of circumstances) and returning it to HMRC or telephoning HMRC to confirm/report any changes of circumstances. Once this has been received, HMRC issue a final award notice for the single 2006/07 claim stating the finalised details of the claim for that year, including details of any under- or overpayments accumulated during that year. An initial award notice for the 2007/08 claim is also issued.

Summary: Finalising and renewing the new (single) claim

Both the pilot and control claimants who recalled receiving the Renewal Pack had few issues with the processes of finalising their new claim for the previous year and renewing it for the current year. They generally understood why this should be done, although some were surprised that they were asked to renew their new claim so soon after it had started. Some also questioned why finalisation and renewal should be necessary given that all tax credits claimants are required to inform HMRC when their circumstances change.

The Annual Review and Declaration Forms were generally felt by both groups to be fairly simple and straightforward. Some control claimants said they were much easier to complete than the new claim form.

³² Auto-renewals include claims from families who receive only the family element of Child Tax Credit or who have a nil award. They are sent an Annual Renewal Form but not an Annual Declaration Form. Auto-renewal claimants are asked to check that the details on the Annual Review Form are correct and inform HMRC of any changes of circumstances. If the circumstances of those on the family element or those with nil award have not changed and they do not think they will in the forthcoming year, then they do not have to do anything further and do not need to send their form back to HMRC. Their award will be automatically renewed on the basis of their previous year's entitlement.

The degree to which claimants read or referred to the documents sent to them varied, with some reading through the Annual Review Form in detail, and others not reading it at all before signing the Annual Declaration Form. There were claimants in both groups who confirmed the information over the phone rather than completing the Annual Declaration Form; these claimants viewed this option very positively.

Some claimants from both groups felt reassured when they received the final award notice for their single claim; others were more indifferent. Both control and pilot claimants tended to keep their final award notice for future reference. Claimants from both groups felt they understood the role of the provisional award notice for the 2007/08 tax credits claim.

Some claimants had additional concerns either related to recent changes in their circumstances or because their claims had been suspended because they did not meet their responsibilities during the finalisation and renewals period.

Views of the finalisation and renewal stage³³

Overall, the finalisation and renewals process was felt by both pilot and control claimants to be fairly straightforward and easy, as both the Annual Review and Annual Declaration Forms were fairly short and simple. Indeed, one pilot claimant described it as 'the clearest part' of the tax credits process, because they felt it was easy to follow what was required and by when. Claimants from both groups generally understood that HMRC needed them to confirm if their situation had changed or not, and if necessary, update the information upon which their claim was based. On the whole claimants were aware of the need to renew their claim annually and this was not felt to cause any major difficulty.

You have to let them know if anything has changed or not. You still have to let them know basically so they can decide again if you're entitled to the same amount that you get or not...

Claimant B, Female, Control, claiming Child
and Working Tax Credit, Low Income

Some remembered receiving these forms in previous years and were aware that they were due to arrive. These claimants tended to view the process as a little bureaucratic but generally accepted it as a reflection of a need 'nowadays' to confirm everything 'in black and white'. However, others were surprised that they had to renew information again after supplying it for the new claim only a few months previously.

³³ Not all of the pilot and control claimants interviewed recalled receiving an Annual Declaration Form or Annual Review Form and felt that all their interaction with HMRC had taken place over the telephone. As this did not appear to have had any impact on their payments, it is believed that these claimants were auto-renewals cases where they were only receiving the family element of Child Tax Credit. These claimants were glad they had been spared the paperwork, and some were unaware altogether of the finalisation and renewals process.

I phoned them up and said 'how come I've got to fill in another one when I've just done one?' and they said 'well because it's a new tax year'.

Claimant W, Female, Control, claiming Child Tax Credit, Medium Income

Some of the pilot claimants found the additional paperwork created by the finalisation and renewals process to be onerous; others did not feel the process was really necessary and were not sure what purpose it served given they would need to contact the helpline anyway as soon as any change in circumstances occurred.

I'd inform them if I've got a change... It just seems ridiculous that they've got to go over it and over it... it is just confusing when you've got so much [paperwork].

Claimant AE, Female, Pilot, claiming Child Tax Credit, Medium Income

For control claimants, completing the Annual Declaration Form was regarded as much easier than filling in the new claim form as it merely involved ticking boxes and confirming or updating information; whereas making a new claim had required providing information 'from scratch'.

None of the claimants interviewed had referred to the accompanying guidance booklet for advice; claimants tended to view this as too onerous to work through. If they had any queries, they would find it easier to just call the helpline for advice. Similarly the checklist was not always felt to be necessary, with some claimants simply ignoring it. Other claimants from both groups, particularly those not familiar with the process, worked through the checklist. They said they found the tick box format of the list helpful and straightforward to use.

Because I claim on my own with all my children I actually go through [the checklist] and if it qualifies for me then I make sure I've done it. Yeah, that's helpful, that is good.

Claimant K, Female, Pilot, Not sure which tax credits claiming, Medium Income

Actions on receiving the Renewal Pack

Some claimants from both the pilot and control groups read through the Annual Review Form before signing and returning the Annual Declaration Form. However, other claimants from both groups admitted they did not bother to read all the information on the Annual Review Form. Instead, they just signed the Annual Declaration Form and hoped everything would work out.

I think I started once and I didn't even read it, I just thumbed through it [the advice booklet] and then I felt that I can't be bothered... I'm a bit lazy to read anyway.

Claimant T, Female, Control, claiming Child Tax Credit, Low Income

Some control claimants were not sure if they needed to take any action, unless the information on the Annual Review Form was incorrect or out-of-date. They called the helpline to check what was needed. Some claimants from both groups called the helpline as a matter of course whenever they received paperwork from HMRC and followed the instructions they were given as to how to proceed.

I just normally get straight on the phone. I deal with it direct.... I just like to get things done rather than read through all these difficult things....

Claimant AH, Female, Control, claiming Child and Working Tax Credit, Medium Income

Some of those from both groups who called the helpline were told that the finalisation and renewals process could be carried out over the phone³⁴. Renewal over the phone was viewed very positively as it made the process very simple for the claimant.

Sometimes when you have paperwork... it's a bit daunting. Whereas on the phone... if you're stuck, they can reply to what you need to know and try and explain and break it down....

Claimant W, Female, Control, claiming Child Tax Credit, Medium Income

A few claimants stated that they preferred using the telephone to conduct the renewal of their claim as they would know that the information had arrived and that their payments would continue.

I personally wouldn't mind doing it [renewals] over the phone because at least then I can hear them doing it then and there. With a form, it goes through the post, if it gets lost then I've got to wait and they could say 'well it's your fault, you haven't sent it back to us, even if I know I have.

Claimant K, Female, Pilot, Not sure which tax credits claiming, Medium Income

Only one pilot claimant said she was keen to complete the renewals process via paper rather than over the phone in order to allow her to photocopy the Annual Declaration Form she had sent back to HMRC for future reference.

Some claimants from both the pilot and control groups were confused or overwhelmed by the different documents they received relating to the new claim and the old claim during the finalisation and renewals period.

³⁴ One claimant said that a helpline advisor had informed him before he had even received the Renewal Pack that he could call the helpline to advise HMRC of his previous year's income instead of filling in the Annual Declaration Form.

When they send you all these renewal claims they sent me one for my single claim, then for my joint claim and then for my single claim again, so I was like.... 'right I can't do this'.

Claimant Y, Female, Pilot, claiming Child and Working Tax Credit, Low Income

There were also some control claimants who said they had sent off the Annual Declaration Form but that it had never arrived at HMRC. This had led to their payments being suspended and so they were struggling financially.

I got a letter saying that they'd stopped my tax credits, so I phoned them and asked them why? And they said that they hadn't received their [Annual] Declaration Form... and I had sent it back weeks and weeks before... I haven't had any money since and I'm really, really struggling.

Claimant I, Female, Control, claiming Child Tax Credit, Low Income

When they received the final award notice, some claimants from both groups felt reassured as they knew that their previous year's award had been based on the correct information and so they would not encounter an overpayment. Others simply thought of the final award notice as another aspect of the process. Claimants tended to file the final award notices in case they needed to refer to them in the future.

Just to keep the records for them if any overpayments, underpayments. If they've made a mistake or if we've made a mistake. Just for a record of things, proof, evidence...

Claimant E, Female, Control, claiming Child Tax Credit, Low Income

Similarly, few issues were reported with regard to the provisional award notice issued for the 2007/08 tax credits claim: claimants from both groups understood that provisional award notices set out the payments that HMRC would be making for the upcoming year, subject to any further changes in circumstances. For some control claimants, there was concern about whether the renewals system was able to accurately reflect their situation for the year ahead³⁵.

Comparison between control and pilot

Claimants' experiences during the process of finalising their new claim for the previous year and renewing it for the current year varied between individual claimants rather than between the pilot and control groups. This is perhaps unsurprising given that the processes experienced during this period were the same for both groups.

³⁵ One claimant who had changed her working hours and salary since the end of the financial year worried that the figure on her P60 could lead to an overpayment being recorded at the end of the current financial year.

Overall views of the pilot in light of finalising and renewing the new claim

This stage had little impact on control or pilot claimants' general preference for using the telephone-based pilot process to make a new claim. There were claimants from both groups who completed the finalisation and renewal process over the phone and they said they wished to conduct as much of all stages of the tax credits process as possible over the telephone. Some control and pilot claimants who had filled in the Annual Declaration Form also indicated they would be happy to complete this stage via telephone instead. This general preference for contacting HMRC via the telephone may be seen as a further indication of support for the telephone-based pilot process of making a new claim for tax credits following a household break-up.

Finalising the old (joint) claim

Both pilot and control claimants were required to formally sign off their old joint claim during the 2006/07 finalisation and renewals period. This was required even though no payments had been made under this claim since claimants advised the helpline of their household break-up. This is because the tax credits system is based on the previous year's circumstances which are then adjusted at the end of each financial year to take into account any changes which have occurred during the year. Thus, it is necessary for both the claimant and their ex-partner to review and confirm that the payments received under the joint claim were being based on accurate information.

To finalise the old (joint) claim, an Annual Review Form and Annual Declaration Form were sent out to both parties who made the joint claim³⁶. The process then followed was the same as that for finalising the single claim (see previous chapter), but with the claimant and their partner sharing responsibility for finalising the joint claim.

Summary: Finalising the old (joint) claim

Finalising the old joint claim tended to be the most confusing aspect of the tax credits process for both pilot and control claimants. All the claimants interviewed in both groups had presumed that their responsibilities for the old claim had ended when they notified HMRC of the household break-up. Some claimants from both groups presumed that the Renewal Pack for the joint claim had been sent in error or was just for reference. Others felt unable to complete the Annual Declaration Form because they could not confirm details relating to their ex-partner. There were calls for a clearer explanation of why Renewal Packs were issued for the old joint claims as well as what actions claimants should take if they could not confirm information on the Annual Review Form relating to their ex-partner.

Claimants from both groups tended to call the helpline to find out why they were sent a Renewal Pack relating to the old claim, or to find out how to proceed if they did not have access to information relating to their ex-partner. While some claimants found the explanations helpful and were able to complete the Annual Declaration Form for the old claim, others did not understand the reasons given and so took no action. Some claimants in both groups confirmed the information on the Annual Review Form over the phone. They felt this option should be promoted by HMRC as the old and new awards could be finalised and renewed in a single phone call which was felt to be very efficient. When the final award notice for the old joint claim arrived, some claimants could not work out whether they had an over or underpayment; others said they just had to trust HMRC that the information on the final award notice was correct.

There was overwhelming preference among pilot and control claimants to finalise the old joint award closer to the point at which the household break-up was reported. This point is particularly important given that the timing of the pilot towards the end of

³⁶ Those on nil Award or those just receiving the Family Element of Child Tax Credit are not sent the Annual Declaration Form.

the financial year (March 2007) meant that it was held as close to the 2006-07 finalisation and renewals period as possible. For other claimants reporting a household break-up earlier in the financial year, the delay between reporting the break-up and finalising the joint claim would have been even longer.

Finalisation of the joint award had little impact on claimants' relationship with their ex-partner as they tended to leave it to HMRC to contact the ex-partner. HMRC's willingness to deal with the ex-partner separately was generally welcomed by claimants in both groups.

Reaction to the Renewal Pack

Receiving forms relating to the old joint claim tended to be the most confusing aspect of the finalisation and renewals period for claimants. All claimants recalled receiving a Renewal Pack related to their old joint claim, except for one pilot claimant³⁷.

All control and pilot claimants had presumed that their responsibilities for the joint claim were over when they notified HMRC of the household break-up. They could not understand why they were receiving paperwork related to their old joint claim which they felt to be past history as payments under this had ceased months ago.

I thought it would automatically come to a halt, everything would fizzle out.

Claimant AH, Female, Control, claiming Child and Working Tax Credit, Medium Income

They generally noticed the Renewal Pack related to the old claim because it had their ex-partner's name on as well as their own. However, as mentioned in the chapter about finalising the new single claim, there were some claimants who did not differentiate between the Renewal Packs received for the two claims.

There were some claimants in both groups who anticipated that some type of 'closure' paperwork might be sent at the end of the financial year. However, even these claimants did not realise that they might be required to take action upon receiving these forms.

Some pilot and control claimants thought that the Renewal Pack relating to the joint award had just been sent in error, and that the one for the more recent single award superseded it. Others from both groups thought the forms relating to the joint award were just sent out for reference and that no further action was required for the Annual Declaration Form relating to the old joint award as payments were no longer being issued under it.

³⁷ This claimant should have received a renewal pack for his old joint claim, and it is unclear why he would not have received one. The claimant was not aware that any further actions related to the joint award were necessary. He added that, if asked, he would prefer not to have to complete an Annual Declaration Form for the old joint claim.

I was a little bit confused because they sent me two renewal things but one was in mine and my husband's names still and one was my new sole claim... the other one was... just to finalise and I don't think I had to do anything with it... They had to send the other one still because they just needed to show that that claim had ended and finished.

Claimant U, Female, Control, claiming Child
and Working Tax Credit, Medium Income

Others from both groups felt that by including the ex-partner's name at the top as well as the claimant's, the Annual Declaration Form was asking for confirmation of both salaries. Claimants tended to feel unable to give information about their ex-partner's salary as they were no longer privy to such knowledge³⁸.

To me that just came to me. It doesn't say we're writing to him as well. It says here 'your actual income'. Now to me, that's both [of us]. If they'd have just sent this to me, then that would have been fine but because they've got his name on it as well, it looks like they want the income for both of you.

Claimant O, Female, Control, claiming Child
Tax Credit, High Income

There were some calls from claimants in both groups for a clearer explanation of why HMRC were sending out a Renewal Pack relating to the old joint claim. They felt the Department also needed to clarify what actions it wished claimants to take upon receiving the Renewal Pack for the joint award, particularly when they did not have access to their ex-partner's information.

Some claimants suggested that HMRC should amend the names on the Annual Declaration Form and send a separate version to each party or include an explanatory covering letter to explain that claimants only needed to complete and sign the parts of the Annual Declaration Form for which they had the information.

Actions taken

Claimants from both groups tended to turn to the helpline for advice about what was required and why a Renewal Pack relating to the old claim had been sent to them. Some felt they understood the explanation they were given by the helpline.

I said 'how come you sent me a joint one when I'm claiming on my own and that's gone through?' And they said 'we're just confirming last year's again because you was with your ex-partner then'.

Claimant W, Female, Control, claiming Child
Tax Credit, Medium Income

³⁸ One pilot claimant who received the Renewal Pack relating to the joint award worried that the notification of their household break-up had not been recorded correctly. However, the claimant was reassured when she called the helpline and they explained the process to her.

Such claimants filled in the Annual Declaration Forms, as instructed, and sent them away without issue.

In addition there were some claimants who called the helpline because they did not have the necessary documents to confirm the information on the Annual Declaration Form relating to the joint award. Some of these claimants were able to complete the Annual Declaration Form after receiving advice from the helpline.

I phoned them up and... said 'I don't know his circumstances now'.... then they just said fill what I could on my side and sign my side, to leave his side blank.

Claimant Z, Female, Pilot, claiming Child and Working Tax Credit, High Income

However, there were some claimants who did not find the helpline's explanation helpful as they did not always understand what they were being told about why a Renewal Pack had been issued for the old joint claim. It appeared that the term 'renewal' had confused some claimants when applied to an old claim.

I had a letter from them to say that I hadn't filled in the form for our joint claim. So I phoned them up and said 'well I'm not doing a joint claim anymore'. They said 'well you still need to tell us your earnings otherwise it won't be renewed'. And I went 'but I'm not renewing it. I've cancelled it'. They said 'it's just for our records' but I never bothered because I thought well they're not paying it me anyway.

Claimant O, Female, Control, claiming Child Tax Credit, High Income

Some claimants from both groups were advised that they could confirm the details for the joint claim over the telephone. Finalising the old joint claim over the phone was generally felt to be preferable to confirming details via a paper form.

I just sorted it in one go [renewals and finalisation of joint claim]. They were dead helpful and it was just easier speaking to them.

Claimant W, Female, Control, claiming Child Tax Credit, Medium Income

Some pilot and control claimants queried why HMRC did not promote this option. They also pointed out that finalising the old joint claim *and* finalising and renewing the new single claim could all be done in a single phone call, rather than completing two Annual Declaration Forms.

When they received the final award notice for the old joint claim, some claimants found it difficult to understand, and could not work out whether it said they had incurred an under- or overpayment.

It's not clear is it, just whether I owe them or they owe it to me? ... It would say 'the amount you owe us' I don't think I'm owed any, no it says 'amount due to you, nothing'... Is that £31.50 between us or does that mean he's got to pay £31 and I've got to pay £31?

Claimant O, Female, Control, claiming Child
Tax Credit, High Income

In addition, some claimants said they did not know much about the information provided on the final award notice for the old joint claim because their ex-partner had been responsible for the old joint claim. They therefore felt they had no choice but to trust the figures on the final award notice.

I've just got to trust them on that to say, that we've had that... it was actually earnings from him, his employment.

Claimant AH, Female, Control, claiming Child
and Working Tax Credit, Medium Income

Timing of finalisation

The overwhelming feeling among both groups was that it would be simpler and feel more logical to tie up any 'loose ends' relating to the joint claim closer to the point at which it was terminated, rather than waiting until the finalisation and renewals period. They saw no benefit in delaying finalisation in this way; claimants were on the whole in favour of dealing with any issues resulting from the break-up as soon as possible.

Just close that claim, that's the end of it and not keep going back and sorting it all out... You've got new stuff to sort out and it gets confusing then. I'd just rather draw a line under it and just forget it.

Claimant O, Female, Control, claiming Child
Tax Credit, High Income

This was particularly the case when finalising the joint claim had resulted in an overpayment.

It's a bit of a shock to all of a sudden find out, well how many months down the line, that you've got to pay back £300 odd.

Claimant AH, Female, Control, claiming Child
and Working Tax Credit, Medium Income

Impact of finalising the old (joint) claim on relationship with the ex-partner

Both pilot and control claimants tended not to have much contact with their ex-partner, with some being unsure of how to contact them altogether. This meant that claimants tended not to discuss the old joint claim with their ex-partner. Indeed, the requirement to finalise the old joint claim did not make claimants initiate contact with their ex-partner if they were not already in contact. Even where the relationship was

relatively amicable, claimants in both groups believed it was up to HMRC to discuss matters with the ex-partner directly. However, some claimants had sent letters relating to the old joint claim on to their ex-partner's address. It also appeared that there was a greater degree of contact between the claimant and their ex-partner amongst some of the claimants who had incurred an overpayment³⁹

The willingness of HMRC to deal separately with the claimant and their ex-partner with regard to the old claim was viewed positively by claimants. Even where claimants were aware that HMRC had contacted their ex-partner, they did not know the details of what was discussed.

Comparison between control and pilot

As with finalising and renewing the new single claim, there were few overall differences between pilot and control claimants in terms of their experiences of the process of finalising the old (joint) claim. Again, this may be a reflection of the fact that both pilot and control claimants experienced the same process when finalising their old (joint) claim.

Overall views of the pilot in light of finalising the old (joint) claim

The process of finalising the joint claim did nothing to detract from the general preference for the pilot among claimants from both groups. Claimants tended to wish for as much of the tax credits process as possible to be conducted via the helpline.

Some control claimants had said during their stage one interview that they preferred the control process because they felt filling in a form was 'the right way' to make a financial claim. However, some had changed their mind by the time of their stage two interview. They had called the helpline about the finalisation and renewal process and were impressed at how efficient it was. Such claimants now felt more at ease contacting the helpline and said they would actually prefer the pilot process now.

When I had to call the advisor about the joint claim and she handled that and my single claim all at the same time. It was all done and dusted, I didn't need to do anything with the form, I didn't even need to stick it back in the post, so from that point of view it saved me a lot of time and aggro. Yeah, I would say that one [pilot] now [is better].

Claimant U, Female, Control, claiming Child and Working Tax Credit, Medium Income

However, there were still some claimants who said they still preferred the control process of making a claim. One claimant, who had received assistance from Jobcentre Plus when filing her claim, felt that the amount of information required when submitting a new claim would take too long to give over the phone.

³⁹ For example, one control claimant had contacted her ex-partner to discuss how to repay the overpayment. However, she regarded their break-up as fairly amicable, so it was not a difficult step to take. She would not have initiated the discussion had there not been the requirement to repay money to HMRC.

Overpayments and underpayments arising from the old (joint) claim

This chapter covers claimants' experiences and views of having incurred an overpayment arising from the old (joint) claim.

Summary: Overpayments and underpayments arising from the old (joint) claim

When they found out about an overpayment arising from the old joint claim, claimants from both the pilot and control groups were surprised as they had thought of the old claim as 'closed'. In both groups, some claimants noticed the overpayment on the final award notice; others had been advised of it by the helpline; some only found out when they received the Notice to Pay. In the main, control and pilot claimants could not understand how the overpayment had occurred. In cases where the claimant had been responsible for the old claim, they believed they had kept HMRC informed about any change in circumstances. In other cases where the claimant's partner had been responsible for the old claim, the claimant tended not to be aware of how the claim had been managed or what changes their partner had, or had not, reported to HMRC. Some pilot claimants questioned why the break-up had resulted in an overpayment as they reasoned that a single parent family should be eligible for a greater degree of state support than a two-parent household⁴⁰.

Pilot and control claimants tended to wait to hear from HMRC about what action they needed to take. However, some control claimants called the helpline to find out what had caused the overpayment and how to make repayments. They did not feel the helpline were able to give them the reason for the overpayment. There was some desire among both the pilot and control groups for information on the final award notice and Notice to Pay about how to make repayments and how to appeal an overpayment. Some claimants in both groups were worried that payments under their single award could be suspended until the debt was paid off; however, some pilot claimants felt the system would be less complicated if the single award payments automatically took into account any overpayment from the joint claim.

There were some control claimants who contacted their ex-partners to sort out how to make repayments. Other control claimants, and pilot claimants, tended to leave it to HMRC to establish contact with the ex-partner. Finalising claims closer to the point of termination would help some claimants identify any overpayment while contact with their ex-partner was more common.

⁴⁰ Overpayments arising from the old claim would have been caused by either the claimant or their partner, depending on who was responsible for managing the joint claim, failing to report a change of circumstances to HMRC. Failing to report the break-up on time to HMRC could have led to an overpayment in some cases, for example where the couple's Working Tax Credit and Child Tax Credit awards were together higher than the single claimant's subsequent Child Tax Credit award on its own. However, the overpayment would have been caused by the failure to report the break-up on time, not by the break-up itself.

Some pilot and control claimants had received underpayments resulting from the time taken to process their single award or because since the break-up they had been eligible for Working Tax Credit.

Learning of the overpayment

There were some control and pilot claimants who had experienced an overpayment as a result of their old (joint) claim. For those affected, particularly where large sums were involved, learning of the overpayment was very worrying as they were finding it difficult to find money to spare. As there was a general belief among both groups that the joint award had been closed for months, it was quite a shock to find out some months later that there were debts owing from it.

Claimants from both groups with an overpayment had become aware of it at different stages. Some claimants had noticed the overpayment on the final award notice they were sent for the old joint claim.

I've only got it on the award notice at the moment saying that they've overpaid me on that so now I'm going to have to at some point pay them back.

Claimant H, Female, Pilot, claiming Child Tax Credit, Medium Income

Others from both groups had only found out about the overpayments when they called the helpline. A small number recalled being told about this possibility when they called to report the household break-up; others had called the helpline about another issue in recent months and were informed of the overpayment.

I phoned them to say that nothing's changed and this and that and that's when they told me that we actually owe them money.

Claimant B, Female, Control, claiming Child and Working Tax Credit, Low Income

A number of claimants from both groups were unaware of the overpayments until they received a Notice to Pay.

I did receive a letter from the Child Tax Credit about a couple of weeks ago saying that they overpaid me £600 or something.

Claimant AF, Female, Control, claiming Child Tax Credit, Low Income

Some who found out when they received the Notice to Pay admitted that, when they referred back to the final award notice for the joint claim, they could see the overpayment was recorded. It had just not caught their eye at the time.

The Notice to Pay was thought by some claimants in both groups to have quite a harsh tone. Some claimants compared it to a 'debt collector's letter'. Control and pilot claimants generally felt the phrasing was a little strong as they had not set out to

deliberately mislead HMRC about their circumstances. Others pointed out that they had not refused to make repayments; they were simply unaware of the situation until this point, so the Notice to Pay came as quite a shock.

Some of the control claimants interviewed had not noticed the overpayment noted on the final award notice for the joint claim until the interview. One claimant in this situation was adamant she had not received any Notice to Pay and that she would wait to hear from HMRC rather than initiate contact about what she needed to do.

How it occurred

In the main, control and pilot claimants tended to be unclear how the overpayment had occurred. They said they generally kept HMRC informed of any changes in circumstance as soon as possible and so could not understand how the overpayment had occurred.

I don't understand why that [overpayment] would have happened because as soon as I moved in I called everyone...

Claimant AF, Female, Control, claiming Child Tax Credit, Low Income

This was particularly the case for those from both groups whose partner had handled the old joint claim as they often had little knowledge about what information had been supplied to HMRC⁴¹.

Some pilot claimants accepted that they had not informed HMRC of the break-up immediately so it is possible that the overpayment was caused by this delay. However, they could not understand why this should entail an overpayment, as they felt it was logical that a single parent would receive *higher* payments than a two-parent family. So they could not see what had led to them owing HMRC money.

I was like in tears on the phone. 'I phoned you because I'm in a situation now where I'll need more money and now you're telling me I owe you money. You're making me more in debt'...

Claimant G, Female, Pilot, claiming Child and Working Tax Credit, High Income

Some claimants who had left it more than three months to inform HMRC of the break-up felt it was unfair that they could only claim three months of back-payments for the single claim, but had to repay further back than that for an overpayment under the old joint award.

⁴¹ For example, one pilot claimant presumed that an overpayment recorded for the 2006/07 tax year might be linked to underestimating the household income salary for the tax year 2005/06 but she could not be certain because her ex-partner had submitted the information about his salary.

There were also some reports of overpayments occurring because a helpline advisor gave the wrong advice about the pilot process⁴².

Tackling the overpayment

Control and pilot claimants were not always sure how they were meant to repay an overpayment. A common reaction for both groups was to wait until HMRC contacted them to give further information (i.e. sent them a Notice to Pay). Claimants pointed out that they were generally on fairly tight household budgets so would not volunteer to make any repayments until they were requested⁴³.

They've told me they overpaid me for the last year but that was on the joint claim so I've pretty much just put that to one side at the moment and just let them get back in contact with me because there's no way I can afford to pay it back at the moment... I've heard nothing from them about that so let's hope they've forgotten.

Claimant AG, Female, Pilot, claiming Child Tax Credit, Low Income

Some claimants called the helpline when they discovered an overpayment to ask how it had occurred and what their repayment options were, in terms of the sum they were required to pay and whether payment could be made in a number of installments. Some of these claimants found that the helpline advisors were unable to give sufficient information about how an overpayment had happened, which they found somewhat frustrating.

I knew I was overpaid [on my old claim]... they never told me how much I was overpaid and they never told me why I was overpaid. It was never explained to me exactly.

Claimant B, Female, Control, claiming Child and Working Tax Credit, Low Income

Information about how the overpayment had occurred was generally desired as a way for control and pilot claimants to avoid such a situation occurring again. Others, particularly where large sums were involved, simply wanted some reasoning or justification about what had caused the overpayment.

⁴² One pilot claimant had her single claim stopped because she had not returned a signed award notice. She had been mis-advised by the helpline that she could confirm the details on the award notice over the phone. She was then told that her appeal against the suspension of payments had not been successful and that she needed to submit a new claim for tax credits via a paper form. The back-payments made under that paper-based claim failed to take into account some payments that had been made under her original single claim (submitted using the pilot process). This led to an overpayment. At the time of interview the claimant was querying the amount that she was being asked to repay as it seemed very high for a couple of months. This claimant felt she never received any feedback about why her appeal against the suspension of payments had been unsuccessful and that the cause of the error had not been due to her in the first place.

⁴³ One pilot claimant also admitted that she was deliberately putting off facing up to their overpayment until she felt she would be in more of a position to afford to pay it back.

Some pilot claimants who had noticed the overpayment on their final award notice wished that some indication was also given about options for repayment.

They haven't actually requested it back, they've just showed it on the thing [final award notice]. That's where it gets confusing because they tell you on it that you've got an overpayment but they're not actually coming back to you straight away for it so I don't know how, if they will deduct a little bit off [my current payments]. I don't know.

Claimant H, Female, Pilot, claiming Child Tax Credit, Medium Income

Some claimants from both groups believed the Notice to Pay needed to provide the claimant with more information about the process of making repayments, for example, if it was possible to pay in installments, or if the repayment had to be made in a lump sum as the 'giro-slip' apparently seemed to suggest. There were concerns among both groups that HMRC required the repayments to be made immediately. Some also wished the final award notice and Notice to Pay to advise them about how to appeal the overpayment, if they so wished.

All it says is, you owe us. And I'm like, well when do I owe you and who do I pay and what time has it got, when's it got to be in, and how do I go, if I need to appeal, how do I appeal? It's just like, well you owe us £400 but it doesn't say, you have the opportunity to appeal against it or put a claim or state your case.

Claimant G, Female, Pilot, claiming Child and Working Tax Credit, High Income

However, no claimant from either group had actually appealed the overpayment arising from the old joint claim and none knew how to go about it⁴⁴.

Some pilot claimants said they had received more than one Notice to Pay with mixed messages about the amount of money owed⁴⁵. These claimants had difficulty understanding whether the Notice to Pay referred to an overpayment on their joint or single award, and were not sure whether subsequent Notices to Pay overrode or were in addition to the previous ones. They found it confusing and worrying to be sent a number of apparently contradictory Notices to Pay as the sums involved were, in their view, fairly large.

I've been receiving letters as well saying that I've been paid too much and that I owe £200 and £500 back to them. So I've been getting conflicting letters the whole time really, I'm being

⁴⁴ However, one control claimant said she wished to find out more about how the overpayment happened but didn't think she would be likely to get it changed so agreed to repay the sum. With hindsight she said if it happened again, she would appeal it. However, she did not know much about what the appeal process entailed, beyond making a call to the helpline to express her concerns to them.

⁴⁵ It is not clear if Notices to Pay were sent in error or if the claimants were confused between different documentation they had received.

told on one letter I'm owed £150 and on another letter that I owe them.

Claimant N, Female, Pilot, claiming Child
Tax Credit, High Income

These claimants called the helpline to try to work out what the situation was, and generally the helpline was thought to clarify the situation adequately. Lack of clarity over the amount of any sum owing tended to lead to inertia on the part of the claimant.

Impact on the new claim

There was a lack of clarity among pilot and control claimants generally about how overpayments under the joint award affected payments they were receiving under their single award. Claimants were not always sure whether overpayments had to be paid back to HMRC or if they would just be taken into account when calculating any future payments.

From the old process they've overpaid me so much, but on the joint claim. So I don't know whether they're going to start taking that back out of my single claim money or not now. I've no idea. Eventually they may do that. I don't know.

Claimant AG, Female, Pilot, claiming Child
Tax Credit, Low Income

Some had concerns that their current payments could be reduced or even stopped altogether until any overpayment was paid off. The possibility of payments under the single claim ceasing completely until the overpayment was paid off worried some claimants in both groups greatly. This was a particular concern for those whose household income had decreased substantially since the household break-up.

However, there were also some pilot claimants who felt that the system of overpayments under the joint award and back-payments under the single award was unnecessarily complicated. They believed payments under the single award *should* take into account any overpayments resulting from the joint claim.

In those three weeks [that I delayed informing HMRC of the break-up] I would have been getting money for myself anyway so why say that I've got a £300 or whatever overpayment [on the joint claim] and then they're going to backdate me for those three weeks anyway [under the single claim].

Claimant Y, Female, Pilot, claiming Child
and Working Tax Credit, Low Income

Whose responsibility?

When it came to arranging repayments regarding the joint claim, claimants from both groups were not always sure who was responsible: themselves or their ex-partner. Some believed strongly that a joint claim should entail joint responsibility for any overpayment.

I think he's half responsible for it, most definitely... It's tough, I'm not completely responsible for it, he claimed jointly so therefore he can deal with it jointly.

Claimant AG, Female, Pilot, claiming Child Tax Credit, Low Income

However, others pilot and control claimants were less certain. Helpline staff were usually able to explain clearly to claimants about the joint responsibility over any debts from the old joint claim.

So I phoned them up because I didn't know, I said 'oh gosh, have I got to pay all that back or has [my ex]?' Because they didn't really make it clear who's had to pay it. So we've jointly got to pay that because of the joint thing. They're ever so helpful when you phone them up and they explain it quite clearly.

Claimant AH, Female, Control, claiming Child and Working Tax Credit, Medium Income

There were indications that some of the control claimants interviewed had contacted their ex-partner to discuss how to repay an overpayment on the joint award⁴⁶. However, other control claimants had had no contact with their ex-partner about the overpayment. They were willing to leave it to HMRC to chase this 'side' of the debt.

She did not shout, she just told me, 'look dear there's a joint account we cannot pressurise one person to pay all the money, you both have to pay half. If you pay, your husband does not pay that's not our headache, the court will handle them'... She just explained to me how it works, it's your share you have to pay because it was a joint account.

Claimant T, Female, Control, claiming Child Tax Credit, Low Income

None of the pilot claimants interviewed had discussed overpayments with their ex-partner; rather, they had left this to HMRC to deal with separately.

As discussed in the previous chapter, claimants from both groups tended to feel that their joint award should have been finalised closer to the time that it was closed. This would mean that any overpayment would come to light when, for some claimants, a degree of contact with their ex-partner was more common.

Really that should have been sorted out when they done our new claims shouldn't it?

Claimant Z, Female, Pilot, claiming Child and Working Tax Credit, High Income

⁴⁶ One control claimant had arranged a meeting with her ex-partner to discuss an arrangement for paying back the overpayment, as he had been responsible for their claims in the past. As the split had been relatively amicable, this did not cause her any problems. Another control claimant and her ex-partner were coordinating their repayments to HMRC as they felt that this would be easier to manage.

Underpayments

Unlike overpayments, back and underpayments posed few problems for claimants from either group.

A number of pilot and control claimants had received back-payments to cover the tax credits they had 'missed' after their joint claim had been terminated and the single claim was still being processed. Claimants from both groups welcomed the extra money they received and did not think to question it.

It all went through and got finalised and everything and then they said 'oh we actually owe you a certain amount of money'. I was like 'oh, that's very nice'. So they paid that lump sum and then they said it [my regular payment] would be paid every week into my account.

Claimant K, Female, Pilot, Not sure which tax credits claiming, Medium Income

Some control and pilot claimants had also received back-payments for this period relating to the fact that their household income was now below the level for claiming Working Tax Credit (in addition to Child Tax Credit). These claimants were grateful for the additional payments and trusted HMRC's judgment that they were owed some additional tax credits.

It's extra money anyway so I'm just thinking, with the situation I'm in at the moment it certainly helps so I'm not querying it... It's been a messy [few] months to say the least so you just get whatever help you can.

Claimant A, Male, Pilot, claiming Child Tax Credit, High Income

Control and pilot claimants did not think to share these additional tax credits payments with their ex-partner as they regarded the sums they received as money for their children, who were living with them rather than the ex-partner⁴⁷.

Comparison between control and pilot

Overall, claimants' experiences of incurring an overpayment or underpayment from the old (joint) claim did not vary between the control and pilot groups. This is unsurprising given that both pilot and control claimants would have experienced the same process of being notified of any overpayments or underpayments.

⁴⁷ One claimant interviewed also said that her ex-partner had received an underpayment linked to the Working Tax Credit paid on the joint claim, which was in his name. The (pilot) claimant felt she should be entitled to half the amount her ex-partner had received related to the joint claim.

Overall views of pilot in light of overpayments and underpayments

Pilot and control claimants were worried about the possibility of receiving an overpayment and keen to keep HMRC updated about their circumstances. However, receiving an over or underpayment had little impact on the views of either group about the pilot. One pilot claimant had lost confidence in dealing with the helpline. This was because she experienced overpayments as a result of misinformation about signing off the award notice. However, this situation is unlikely to arise again⁴⁸. In general, as at other stages of the process, claimants from both groups favoured the pilot process.

⁴⁸ All HMRC contact centre advisors have subsequently been made aware of the need for claimants who make a claim via the telephone to sign and return their award notice.

Communications

This chapter summarises claimants' views on the various communications they received from HMRC with regard to their old (joint) and new (single) tax credits claims following their household break-up.

Summary: Communications

Some pilot and control claimants felt that they received too much tax credits paperwork. This meant some felt overwhelmed and stopped reading all the information they were sent; others had difficulty understanding the purpose of documents sent and what action, if any, was required.

Some from both groups regarded the award notice as straightforward and easy to understand; others found the information it contained complicated or believed there was too much to read through in detail. There was also confusion as to how different Award notices received related to each other. A number of pilot claimants received a **reminder letter** about returning a signed award notice (control claimants were not required to do so). It was often a shock for claimants to receive this as they tended not to have been aware of this requirement. Some pilot claimants complained that the tone of the letter was too harsh; others felt that it did not leave them enough time to act.

The **finalisation and renewals** process was generally regarded by control and pilot claimants as one of the more straightforward elements of the tax credits system. However, some thought that there should be greater promotion of the possibility to conduct this stage over the telephone, rather than by completing the Annual Declaration Form. There was also felt to be a need to explain more clearly about why it was necessary to complete the Annual Declaration Form for the closed, joint award. Both groups would have preferred to finalise the joint claim closer to the time when payments ceased.

As with the provisional award notice, some claimants read through the final **award notice**; others skim-read it or did not read it at all. Claimants were not always sure why they were sent a final award notice for the old joint claim. They tended to file away final award notices for the joint and single awards in case they were needed in the future. Some claimants in both groups thought the language used in the **Notice to Pay** was too harsh as they had not intentionally misled the Department. There was a desire to include more information about what had caused the overpayment, as well as options for how to make repayments.

In general, claimants from both groups were positive about the way the **helpline** handled queries. Staff were praised for being helpful and approachable. There were some instances where claimants felt explanations needed to be clearer, for example, about why it was necessary to finalise the closed joint award. There was also dislike among some control claimants of using an automated telephone system and of being passed between advisors. Some other control claimants complained of being held in a queue and of the cost of calling, especially if they did not have a landline.

When it came to providing information about **the old and new claim**, claimants from both groups believed that more information should be provided. They wanted the impact the situation would have on their payments and likely forthcoming stages ahead in establishing the new, single claim to be emphasised at the time of making the new claim. For example, making claimants aware there would be a gap between the end of the old claim and the start of the new one. They also thought advisors should ensure the claimant is aware that there would still be a formal signing-off of the joint award. For those using the pilot process, the requirement to return a signed award notice to confirm the information provided should also be made clear at the time the new claim is made.

Communications overall

Overall, both pilot and control claimants felt that too much tax credits paperwork was sent to them. This made them feel overwhelmed, rather than informed about the tax credits processes concerned. The claimants interviewed in this study had received a number of documents in the time between reporting their household break-up to HMRC in March 2007 and the time of their second interview with Ipsos MORI in September 2007. These documents included: provisional award notices, final award notices, reminder letters, Renewal Packs, Notices to Pay, as well as some additional letters or requests for information. Claimants felt the volume of information sent to them could be counterproductive, particularly when multiple versions of the same document were received relating to different awards (i.e. the old joint award; the 2006/07 single award; the 2007/08 single award).

Letters backwards and forwards, if you cough they send you a letter about it. Yeah just they're just constant... normally from April through to about August, you just come home you can't open your front door.

Claimant L, Female, Pilot, claiming Child and Working Tax Credit, Medium Income

Some claimants from both groups became apathetic towards the correspondence they received from HMRC and stopped reading it altogether. Others found it difficult to distinguish between the different documents they were sent and which ones applied to different aspects of their claim. This meant that claimants did not always notice the actions that the documents were asking them to take.

The amount of paperwork I've had, I'm so confused I don't know what paperwork goes with what claim. Because I've had like three claims in the last year. So it does get very confusing.

Claimant X, Female, Pilot, claiming Child and Working Tax Credit, Low Income

Some claimants from both groups suggested that HMRC should vary the appearance of the different documents more as this would help claimants to identify which ones were for reference and which ones were requesting action. They also suggested that documents should be more clearly labelled to indicate which award they refer to (i.e. the old joint award; the single 2006/07 award; the single 2007/08

award); some added that documents such as provisional and final award notices could be printed on different coloured paper to indicate which stage of the process they referred to (i.e. provisional or final). Another suggestion was to indicate clearly on the front of a form 'further action required' to make it clear to claimants which documents are asking them to take action and which documents are provided just for reference.

Other claimants from both the pilot and control groups felt that HMRC should make greater efforts to promote the option of completing certain tax credits processes over the telephone where this existed as an alternative to filling out a paper form.

Award notices

Award notices were the most commonly-cited communication that claimants received from HMRC. Some pilot and control claimants said they felt they were sent an award notice every time they reported a change in their details.

So if you phone them and say, oh I did four hours, then they send you a new award notice and that might affect your money for a couple of weeks and then you need to phone them and say I'm back to my 30 hours.

Claimant C, Male, Pilot, claiming Child Tax Credit, Low Income

Many felt overwhelmed by the number of award notices they had received for the different stages of their old and new claims.

There's a tax credits award [notice] for between a certain date and a certain date. And then I've got an amended award [notice], a provisional award [notice], another amended award [notice] and it's like, I just want one piece of paper telling me what I'm going to get and that's it... that's all I need.

Claimant X, Female, Pilot, claiming Child and Working Tax Credit, Low Income

Some claimants believed that they had been sent repeat copies of award notices. Although this encouraged some to examine the document in more detail, as they believed the duplicate had been sent through as a reminder, others either ignored them or dismissed them as a computer error. Some other claimants called the helpline to ascertain why the award notice had been re-sent and what further steps they needed to take.

In both the pilot and control groups, claimants' opinions of the award notice varied considerably. While some found it straightforward and easy to understand, others thought that it was too long and that the terminology used was confusing and unclear. In general, it was felt that the amount of information on the award notice and the level of detail it went into made it difficult for claimants to gain an overall understanding of their entitlement.

I just find them too confusing because you get like 'this is what you should get, this is what you're entitled to' and then you get the next page with lots of numbers, and even though I read everything I still don't get them. I really find it confusing.

Claimant B, Female, Control, claiming Child and Working Tax Credit, Low Income

Many admitted that they normally focused on particular parts of the award notice, such as the total they would be paid, and merely skim-read the rest.

I've just looked at the end figure, because it's just like you'll get this much for so many days, this much for so many days then until this date, you'll get this. I've just accepted it because it's long and drawn out.

Claimant O, Female, Control, claiming Child Tax Credit, High Income

Those that appeared to have a better understanding of the award notice tended to have read the form more thoroughly and were more familiar with the system.

I like the bit where it shows you how they work it out. So you can see what you're getting and what have you. The thing, I think the thing is once you've received a couple of forms and you understand them, you don't really need all the rest of the paraphernalia that goes on it.

Claimant X, Female, Pilot, claiming Child and Working Tax Credit, Low Income

Despite some saying that the award notice contained too much detail, there were claimants from both groups who wanted to see their payment sum broken down into monthly amounts. This, they felt, would be more useful to help plan their finances than an annual figure. In addition some wanted further explanation of how the level of their award was decided, although those that had read the notice in more depth tended to think that the breakdown provided was detailed enough.

Some pilot claimants who were on both Child and Working Tax Credit found it difficult to understand the two sets of figures that were sent through and attached to the same dates, detailed separately on the award notice. Others thought it would be useful to combine the two tax credits payments on a single award notice.

There's all these figures like, they give you the Working Tax Credit, then there's child care, and then they give it to you all as one lump and then they break it all down and then they give you the breakdown of the Working Tax Credit and then the breakdown of the Child Tax Credit, then the breakdown of the child care element of it, which is good because you can see exactly what you're getting and why you're getting it but at first glance you're like, what's going on ...

Claimant Y, Female, Pilot, claiming Child and Working Tax Credit, Low Income

However, other claimants who were claiming both Child and Working Tax Credit found the layout of the award notice easy to understand.

It's fairly clear because it breaks down the two parts of it as well how much you're getting each week for which.

Claimant X, Female, Pilot, claiming Child and Working Tax Credit, Low Income

Acknowledgement of receipt of the claim form, for control claimants, and for others, some notice that assessment of the claim was on-going, would relieve some of the stress associated with making a new claim. Claimants from both groups believed this would help by providing reassurance that a claim had not been mislaid or overlooked.

As highlighted in the chapter on the award notice, there was a lack of awareness among pilot claimants about the requirement for them to sign and return the award notice to confirm the information contained in it. This requirement did not exist for control claimants who had already given a signature when submitting their claim form.

Reminder letters

Some of the pilot claimants had received a letter reminding them of the need to sign and return their award notice. Some of these pilot claimants, particularly those who relied most heavily on tax credits payments, felt that the language used in the reminder letter was too strong. While it was agreed that the reminder letter needed to be clear about what it was asking the claimant to do and why, it was thought that the message about potentially halting payments could be softened to avoid causing unnecessary panic.

There were some instances where reminder letters appeared to have either crossed in the post or gone missing. For example, some pilot claimants received a reminder letter asking them to sign and return an award notice that they had not yet received. This, added to some mistaken advice from the helpline, led to one claimant not signing the award notice, as required, and her payments were halted.

They sent me a letter saying that if I didn't find something by such and such a date they'd stop paying me and I went through all my stuff and I just couldn't find what they wanted me to sign. So I phoned them up and said 'I don't know what you want me to sign, what shall I do?' And she said 'don't worry about it, we're going to send you a renewal pack, everything's fine' and then a little while later I just got a letter out of the blue saying 'we've stopped paying you tax credits because you haven't signed this thing'.

Claimant AE, Female, Pilot, claiming Child Tax Credit, Medium Income

On receipt of a reminder letter the helpline was the first point of call for pilot claimants as a way of seeking clarification about what they had been sent. This also allowed them to confirm what further action was required.

Renewal packs

During the 2007 finalisation and renewals period, both control and pilot claimants were sent a Renewal Pack containing a checklist and guidance notes for completing the Annual Review and Declaration Forms⁴⁹. Both pilot and control claimants tended to understand the need to renew their tax credits claim at the end of each financial year. Indeed for some the renewals process was perceived to provide reassurance that the level of their award was correct.

Some claimants had completed and sent back the Annual Declaration Form. Some preferred a form-based approach to renewing a claim as it allowed them to photocopy the form for future reference. No difficulties were reported when completing the Annual Declaration Form; in fact some described this as 'the most straightforward part of the process'.

Other claimants from both groups admitted to putting off going through the Renewal Pack, as it had felt like it would be an onerous task.

I left it [Renewal Pack] sitting on top of the cabinet for maybe a month and a half because I just couldn't be bothered to do it. I had so much else going on, the last thing I was going to do was sit down at the table for an hour or so and fill out paperwork.

Claimant Y, Female, Pilot, claiming Child and Working Tax Credit, Low Income

These claimants tended to prefer completing the finalisation and renewals processes over the telephone as this was seen as quicker, easier and a more pleasant experience. They felt that HMRC should make more effort to promote the option of finalising and renewing claims over the telephone.

Some pilot and control claimants queried the value of the finalisation and renewals period altogether. Whenever they had reported changes in circumstance to HMRC, an updated award notice had been issued soon after the notification. To these claimants, it seemed unnecessary to check and affirm their circumstances again at the end of the year.

While some claimants from both groups had found the checklist which accompanied the Annual Review Form and Annual Declaration Form to be useful as it had helped them to check that they had completed all the necessary steps, a number of claimants who had been through the process before felt that the checklist and

⁴⁹ Some claimants in both the pilot and control groups claimed not to have received the Renewal Pack. It is believed that these cases were either auto-renewals or that the claimant had not distinguished between these forms and other tax credits documents they had received, as their payments had not been halted.

guidance notes were largely unnecessary. The guidance booklet in particular was cited as being overly long and detailed, and was rarely used.

I know they've got to send [it] out... but because I've been claiming for a few years I don't really need the renewal pack what with the big booklet. Like I said just a simple form, have circumstances changed - yes or no - and with a little thing at the bottom, you can call us [to let us know this information].

Claimant K, Female, Pilot, Not sure which tax credits claiming, Medium Income

With regard to issuing Finalisation Packs for the old joint claim, there was a general feeling among both groups that claimants should be made aware of this stage at the time they advised the helpline of the break-up of their relationship. This would give claimants some notice that they would receive final documentation relating to the claim in a few months' time, even though payments were no longer being made. As it was, both control and pilot claimants were surprised when they received documents through relating to their closed joint claim.

I got another letter then, as I said, which was our old joint one again and I phoned them up [the helpline] and said 'I've received the old joint one, I don't understand because the new one's here and why am I getting that one as well?'

Claimant W, Female, Control, claiming Child Tax Credit, Medium Income

In addition some claimants in both groups pointed out that they could not always confirm the previous year's income of their ex-partner. These claimants felt that HMRC should explain to claimants who are no longer in contact with their ex-partner that they only need to complete the sections on the Annual Declaration Form that they are able to.

All the claimants interviewed in this study said they would have preferred to finalise the joint award closer to the time of the break-up as this felt more logical, rather than six months after payments had stopped, when contact with the ex-partner tended to have ceased.

Final award notices

Some claimants from both groups were surprised to receive final award notices related to the joint claim and were not sure what purpose they held as no payments were being issued under the joint claim.

However, others simply filed them away for reference. When it came to receiving a final award notice for the 2006/07 single award, both control and pilot claimants viewed this as logical, as this claim was, in their minds, still 'live'. As with the provisional award notices, some claimants read through this in detail whereas others merely filed it away for future reference.

Notices to Pay

There were claimants in both groups who received a Notice to Pay. A number of pilot and control claimants felt that the perceived accusatory language used was unfair given that they had not intentionally misled HMRC or done anything wrong. Some claimants compared the Notice to Pay to a 'debt collector's letter'.

Those claimants who had received a Notice to Pay found that it lacked the information about how the overpayment had occurred. It also did not mention ways in which the money could be repaid; instead claimants from the pilot and control groups were required to call the helpline to discuss repayment options. There were some calls for including some repayment options in the letter itself.

They said to me 'you will get a letter' and I kind of left it with that thinking it will explain to us exactly why we owe them money... It was like one sheet saying that we owe this much money and the bank we should pay it to. I had to phone them and say 'I can't pay all this money back at once' so they spread it over 12 months.

Claimant B, Female, Control, claiming Child and Working Tax Credit, Low Income

Others felt that their 'knee-jerk' reaction in any case would be to call the helpline, whether or not information about repayments was included in the letter.

The helpline

As previously mentioned, claimants in both groups generally turned to the helpline with any queries they had about their tax credits claim. This contact ranged from questions about what actions were necessary; helping claimants understand terminology or phrases on documents; finding out what stage a claim was at; or notifying HMRC of further changes in circumstances. Some claimants reported calling the helpline every time they received a letter from HMRC for reassurance or assistance, regardless of whether they understood its contents or not.

Most claimants were extremely positive about their experiences of the helpline and both pilot and control claimants said they had found helpline staff friendly, professional and sensitive to their situation.

I have to say they [helpline advisors] are very good, yeah... They're always helpful and I've never had a problem with anybody being rude or anything like that, no problems at all.

Claimant X, Female, Pilot, claiming Child and Working Tax Credit, Low Income

On the whole, pilot and control claimants were satisfied with the information and assistance they received from the helpline. However, there were a few exceptions to the rule.

Some claimants from both groups believed that the explanations were not always as clear as they could be. Some thought that the helpline needed to be clearer at the time claimants report a break-up that the halting of the joint claim would mean that there would be a gap before payments would commence under the new claim.

When I phoned up and made the application on the phone..., I wasn't told that my Child Tax Credit allowance would stop while the decision was going through and I was left three weeks with no cash,... If it had been said to me at the time when I made that initial phone call to change over again, I wouldn't have liked it but at least I'd have been prepared... I didn't realise, I just thought that [my money] was going in and it just didn't.

Claimant X, Female, Pilot, claiming Child and Working Tax Credit, Low Income

One control claimant would have appreciated more advice about how to claim childcare costs.

They have been quite polite... It was just today [when I called] she wasn't ... I was trying to get things sorted and she was like, she was a bit snotty, going to me, 'well, that's just the way it is, you'll have to just get used to it'. No one told me that you're not allowed to put it [nursery fees] onto the form until you've actually started paying it off.

Claimant W, Female, Control, claiming Child Tax Credit, Medium Income

Other times when explanations provided by the helpline were not always sufficient was when pilot and claimants called up to ask why they had received documentation (i.e. a Renewal Pack) relating to their old joint award. Some would have welcomed more reasoning about why finalisation was important even if payments were no longer being issued.

I just because I said, I kept saying to her, 'well I'm not claiming any more, I don't understand', all she kept saying was 'this is to finalise the tax year', that's all she kept saying to me.

Claimant O, Female, Control, claiming Child Tax Credit, High Income

There were also concerns when there was a discrepancy between the information given by the helpline and what paperwork from HMRC was saying. One example of this was when a number of pilot claimants were mistakenly advised by the helpline that they could sign-off their provisional single award notice over the phone rather than telling them they needed to send back a hard signed copy of the award notice as confirmation that the information supplied was correct. This led to some payments being suspended.

Another example of a lack of consistency between written communications from HMRC and advice from the helpline related to Notices to Pay. Some claimants were

advised by the helpline that they did not owe any money but continued to receive Notices to Pay.

Even though they sound really helpful and friendly, I don't have much confidence that what they're telling me is right... you receive a letter saying that you owe them money and then you ring them up and they say that you don't.

Claimant N, Female, Pilot, claiming Child
Tax Credit, High Income

While claimants tended to view the telephone-based process as efficient and easier to use, there were some pilot and control claimants who disliked using automated telephone systems or being passed between advisors.

[It took three days] to get through to them. You just get answering machines or press 1 for this, you need to go and do that. You need to go to amendments, OK, well, you're through to amendments. You're held in a queue. And finally when you get through to somebody, no, it's not them. So you need to call another number.

Claimant Q, Female, Pilot, claiming Child
Tax Credit, High income

Other claimants complained of the length of time they were held in a queue or put on hold, sometimes for more than 15 minutes, and the cost implications this had.

[They should] pick up the phone quickly... 10, 15 minutes all the time they take a long time, always long... Some people we don't have money in the phone.

Claimant T, Female, Control, claiming Child
Tax Credit, Low income

Communication about old and new claims

Both pilot and control claimants were of the general view that there needed to be greater communication at the time HMRC was informed about the break-up about future aspects of the claim. By emphasising key future steps to claimants at the point the joint claim is terminated and the new claim made, these should strike a chord with claimants when the relevant stage of the process comes round.

Claimants in both groups felt they needed to be made aware that formal signing-off of the joint award (i.e. finalisation) would still be required, when it would be required and what they would be required to do. They also thought that claimants should be reassured that HMRC can take up any outstanding issues with their ex-partner independently, if necessary.

Pilot claimants felt that the requirement to return a signed copy of their single award notice to HMRC should be pointed out at the time the single claim was made over the phone. They would then expect to be asked to sign the award notice, and be fore-warned that this award notice needed to be treated differently from any they had

been sent in previous years. Clarification of this aspect of the pilot process was obviously needed for the helpline advisors, who were the first point of contact for a pilot or claimant who was seeking information or advice about this.

As indicated previously, claimants felt that greater distinction between different documents sent relating to the old and new awards would be helpful. This could be achieved through clearer labelling or by printing on different coloured paper.

Overall views of tax credits

This chapter briefly outlines how claimants became aware of tax credits and looks at issues highlighted by both control and pilot claimants as ones which have an impact on their views of tax credits, and so influence their thoughts of the pilot and control systems.

Summary: Overall views of tax credits

Claimants had claimed tax credits for varying amounts of time. They were not always sure whether they were claiming Working or Child Tax Credit. Common first sources of awareness of tax credits were the media, 'bounty packs' for new mothers and word of mouth.

Both pilot and control claimants tended to be very appreciative of the additional income for the family which tax credits provided. This was the case whether it formed a core part of their income or simply 'topped up' other sources of income. How stressful an experience it was to claim tax credits often reflected the importance of the payment to the household income; claimants who had the most reliance on tax credits as a key part of the household income reported the most anxious experiences. Similarly, those with more experience of form-filling generally tended to be less likely to describe the claim experience as stressful in comparison with those who had not undertaken such tasks previously. Claimants dealing with more varied hours of work were also more likely to say their experience was stressful.

Overpayments were a factor which affected how claimants viewed the tax credits system. Those who had personal experience or through friends or relatives of overpayments tended to be more cautious about the way they approached the system, and the way they handled their payments and documentation.

Finding out about tax credits

Claimants in both groups of this study had claimed tax credits for varying amounts of time ranging from four months to ten years. Those who had been claiming for a long time often had begun claiming Working Families Tax Credit and were unclear as to when the transition to Working Tax Credit and Child Tax Credit occurred. Additionally, pilot and control claimants were not always sure whether they were claiming both Working and Child Tax Credit and sometimes referred to 'tax credits' rather than differentiating between the different types of award.

Claimants' first awareness of tax credits often came from media sources, such as television, radio and newspapers, and there was no difference in sources mentioned by pilot or control claimants. Those who claimed Child Tax Credit also referred to the 'bounty pack' they received as new mothers. Word of mouth was another important source of information; claimants often mentioned that they spoke with friends or those within their peer group about tax credits and, consequently, were encouraged to apply to see what they would be eligible to receive.

I did ask one friend that was on it 'what's going to happen blah, blah, blah?' She was 'don't panic, you should be entitled to this and that' and that's OK, fine. And she was a bit wrong on the amount, she gets a bit more, she's got a disability on her one but apart from that she was quite accurate.

Claimant H, Female, Pilot, claiming Child
Tax Credit, Medium Income

Views of tax credits

Generally, pilot and control claimants spoke of the benefits of receiving tax credits payments and how useful the additional money was, whether it was essential household income or simply 'top up' money. For some families, these payments allowed them to 'treat' their children in ways they would not otherwise have been able to afford. For other families, where tax credits were a core aspect of the household income, the payments were really necessary to ensure a decent standard of living for themselves, as well as for their children.

The appreciation of this additional source of income was sometimes used as a counter-measure to any somewhat negative point a claimant was making about the system. On the other hand, for some claimants in both groups who had had negative experiences of tax credits in the past it was at times difficult for them to distinguish their thoughts about their most recent claim from claims in previous years. Some, although grateful, could not understand why the Government was giving this money to people – especially to those who were already employed or without children. This did not have an impact on their likelihood or ability to claim tax credits but simply meant that some claimants in both groups, particularly those on higher salaries, did not understand why they were being offered this additional allowance. They were generally grateful for the additional income all the same though.

If the Government want to give me money, that's fine, I ain't got no problem with that and when it came through I just couldn't believe it, you're thinking, well where's the catch here?

Claimant A, Male, Pilot, Claims Child
Tax Credit, High Income

Experiences of claiming tax credits were largely influenced by claimants' individual circumstances, in particular the extent to which payments contributed to the overall household income. For those for whom tax credits were 'essential' to household budgeting, in that they comprised a significant proportion of the household income, the experience of claiming tended to be more stressful. This was simply because the money received had a greater bearing on what the family could and could not afford to do and more was perceived to be at stake. Therefore, even when the process proceeded smoothly, this still involved some element of stress for these claimants. Conversely, for those households where tax credits payments were viewed as a 'top-up' to existing income and, though useful, were not essential, the experience of claiming was often less fraught.

However, while the money from tax credits was always welcomed, there were comments by some pilot and control claimants that the level of payment varied throughout the year and that, towards the end of the financial year, the amount decreased a little.

The other thing they do that we don't like is they work out your tax credits for a year and they'll give you a payment for a year and for 48 weeks you get the same amount, but when it gets to the end of the tax year, your money suddenly drops. You get an obscene amount, like £50 or £60 difference a week.

Claimant C, Male, Pilot, Claims Child
Tax Credit, Low Income

This was seen to pose problems with household budgeting, as it contributed to uncertainty as to how much payments would fall during this time. There were indications that it would make household budgeting easier if it were possible to standardise the payments throughout the entire year.

Another issue which influenced pilot and control claimants' overall experience of claiming tax credits was their familiarity with form-filling more generally. While those that had experience of filling in forms (for example, forms for state benefits, opening bank accounts, applying for loans) took this aspect in their stride, those that were not used to providing this level of detail often found the completion of forms a stressful experience. Similarly, those who had not previously been responsible for managing household finances found the claim process more trying than claimants who had had such responsibilities previously.

The complexity of the household's employment situation also had an impact on claimants' experience of the claims process. Those that were self-employed or who worked variable hours and therefore received variable pay often found the system much more complex than others.

Concerns about overpayment

Claimants' views of the tax credits system were affected by whether or not they - or someone they knew - had encountered an overpayment. This was the case for control and pilot claimants. Those who had experienced overpayments in the past, or had spoken to people who had, were often more circumspect about the system and tended to view the money received accordingly. A few, for example, did not spend their money until it was confirmed that they would not be liable to make repayments to HMRC. Others were careful to maintain all documentation they received about tax credits, even if it related to a few years ago.

However, this concern about overpayments ran deeper than direct experience. Media coverage combined with word of mouth stories left claimants concerned that they might entail such problems. This was a particular issue to those for whom tax credits constituted a large proportion of their household income, as they would not have any reserve funds to repay any sum.

It's quite frightening, and I think the most overwhelming feeling when you're dealing with Family Tax Credits is your life is in somebody else's hands because everybody lives to their means. You get used to a certain amount of money and these people can pull it on you any time they like with no explanation other than we've overpaid you. Even though you've given them all the correct information. And that, and I know a couple of my friends who actually won't even claim the Family Tax Credits because of that. They're so worried about getting into debt.

Claimant AG, Female, Pilot, claiming Child
Tax Credit, Low Income

Conclusions

The pilot was very well-received and there was strong preference for this process

Overall, the telephone-based pilot appeared to be an effective means of handling the process of making a new tax credits claim for claimants who had recently undergone a household break-up. Both claimants who had experienced the telephone-based pilot process directly, and those in the control group who were commenting on it hypothetically, generally felt the pilot to be a more efficient and user-friendly process. Indeed, both pilot and control claimants tended to express a preference for conducting as much of the tax credits process as possible over the telephone. A number of issues were cited with the form-based control process, including the requirement to write the information onto the claim form; the time it could take claim forms to arrive; the length and complexity of the claim form; and the perceived need to complete a new form if mistakes were made or any information missing.

In light of these issues, the telephone-based pilot process was welcomed. This was due to the fact that, rather than having to submit all their personal data again, claimants would just have to confirm with the helpline advisor which of the details were correct and which had changed.

Additionally, being able to talk through the questions with a helpline advisor was much appreciated. Claimants were often inexperienced at filling in forms and, as such, were intimidated by those received from HMRC, which were seen as being long, complex and difficult to navigate through. It was felt that the advisors would be able to clarify any queries over what information was required, and this would limit the possibility of questions being missed or incorrectly answered. This would eliminate the need to complete another claim form for these reasons.

The pilot process removed the need to wait for forms to arrive and the worry of their claim being mislaid in the post. As a result, it was felt that by using the pilot process new claims would be put into award much sooner. For those whose relationships were in a state of flux, the more immediate pilot process was thought to be better able to keep pace with potentially fast-changing events in people's lives.

None of the pilot claimants experienced any difficulties making a new claim over the phone. Those who needed to re-contact the helpline with information or send in supporting information were able to do so with relative ease. Dealing with financial matters over the phone, was something claimants were used to doing, for example paying bills on the telephone or, in some cases, using telephone banking systems. Indeed, as many had used the helpline to let HMRC know of other changes in circumstances, they were not aware that going through the pilot process was anything out of the ordinary. There was also an almost universally positive reaction to the helpline staff by both the pilot and control groups.

However, there were some calls for the pilot process to run in tandem with the control approach

Some claimants worried that in using the pilot process claimants would be expected to give all information in one go, whereas filling in a form allowed a more piecemeal approach, if desired. It was also pointed out that submitting data by form allowed a friend or family member to check it, as well as giving the claimant the chance to make a photocopy of the form, to refer to if there was a query about the information they had provided. There were also some criticisms made about the cost of making such a phone call and the fact that those who had to call back with information were not always able to speak to the same advisor. Some also wondered about the security of providing personal information over the phone or the possibility of helpline staff making errors when amending the information given over the phone. These issues led some to express a preference for the control, form-based approach or for having the choice of using either a telephone-based or form-based process.

By the time of the second interview, around six months later, there had been some shifts towards preference for the pilot. Some claimants had become more familiar with contacting HMRC over the phone and felt more confident doing so. Claimants also felt that the telephone process could lead to claims being processed more quickly, which they welcomed.

Some pilot claimants felt that advice about the requirement to sign and return their award notice needed to be highlighted and made consistent

The requirement for pilot claimants to return a signed award notice to HMRC as confirmation that the information their claim was based upon was correct was not felt to be a difficult one, and did not detract from the benefits offered by the pilot process. However, some pilot claimants did not recall being told about the need to sign and return their award notice during the initial call; furthermore, some of these claimants did not notice the requirement on the award notice when it arrived. They felt HMRC should do more to highlight this requirement so that claimants are made aware of it.

There were also some calls for the advice given by the helpline about the need to sign and return the award notice to be more consistent. It appeared that not all helpline advisors were aware of this requirement. Consequently some pilot claimants were allowed to provide confirmation over the phone, which led to some payments being halted due to the lack of a signed award notice. This experience had led to some pilot claimants being less confident about dealing with their tax credits claim over the phone. However, if the advisors told claimants that a signature was required, they did not foresee any difficulties with using the pilot process.

Some claimants were critical of the delay between payments ceasing on the old (joint) claim and payments starting on the new (single) claim

There was little prior awareness amongst the claimants interviewed that there could be a gap in payments during the time between the termination of the old joint claim and the new claim being processed; it was felt that HMRC should do more to make claimants aware that no payments are made while the new claim is being processed.

Some claimants were critical of the time it could take for payments on the new claim to begin and said they would welcome any way that this process could be accelerated. If it took more than a week or two to process a claim, claimants from both groups tended to start worrying about when they could expect to receive their next payments. Although advisors were reassuring, they tended not to provide the information that claimants sought, such as when payments might resume or at what level. Claimants whose claims were taking longer to process wished for more information about why the delay was occurring and what needed to be done to resolve the situation. Following the break-up, tax credits had tended to assume a higher level of importance within the household budget, and this increased their desire for their new, single claims to be processed quickly.

There was difficulty in understanding the information on the award notice but some were happy just to trust that the figures were correct

Few pilot or control claimants understood much about how the level of award was calculated, partly due to confusion over some of the terms used in the award notice. Some were unable to work out the functions of the various documents they were sent by HMRC, and so did not read the award notice in detail. This lack of understanding was a concern for some claimants, but others were happy not to read the calculations and just took the figures they were given at face value.

Some claimants from both groups said they had little free time to spend trying to work out the phrases on the award notice and simply scanned the notice to see how much their payment would be. Those who the terms applied to tended to be more aware of what phrases related to. There were differing views about the amount of information required on the award notice. Some felt the information contained in the award notice was fairly simple and relevant; others felt the degree of information was too great as they could not work out what the different amounts referred to. For example, some claimants in both groups found it difficult to understand why the award level varied slightly throughout the year. Others wished to be given the level of Child Tax Credit *per child*, to help plan how the household income would change if a child were to move out or stop attending full-time education.

Claimants tended to believe that their responsibilities towards the old joint claim had ended once payments had stopped

On the whole claimants from both groups expected that when they informed HMRC of the household break-up and payments stopped, that their responsibilities towards the old joint claim were over. They were surprised, therefore, to receive a finalisation pack a few months later relating to this. While some claimants dealt with it promptly, others presumed it had been sent in error, or, believing that they could not confirm their ex-partner's income, took no action.

There was a belief that helpline advisors should remind claimants when they called to report the break-up of the need to 'sign-off' the information an award was based on after the end of that financial year. They should point out that this need still applied even if the award did not cover the entire year or was no longer 'live'. There was a clear preference among both pilot and control claimant for finalising the joint award closer to the time the break-up was reported, if possible.

Finalising the joint award and dealing with any overpayments arising from this did not have any impact on the relationship with their ex-partner. Claimants from both groups tended to leave it to HMRC to contact their ex-partner about any responsibilities they had toward the joint claim, although there were some who liaised independently of HMRC.

Greater flexibility with regard to the deadline for reporting household break-ups would be appreciated to meet the needs of claimants at a difficult time

Claimants from both groups made the point that, following a household break-up, they had a number of competing priorities to deal with; finding a new home, making sure their children were alright, resolving other claims for benefits and looking for work. Some might not have dealt with the household paperwork previously, and it could be difficult for such claimants to get to grips with documents and processes.

Given this, claimants felt there needed to be recognition of the fact that alerting HMRC of the change in circumstances was not always regarded as a top priority at this time. It might also be that the necessary documentation was not available or that the family was in such a volatile state that the claimant did not inform HMRC of the break-up until the situation had stabilised to some extent. This might mean that claimants did not call the helpline within the 30 day deadline for reporting such a change in circumstances. It was thought that a degree of flexibility in such situations would benefit claimants who are often working through very difficult personal issues.

There was some need to make written communications simpler, shorter and clearer

As well as issues understanding information on some of the documents sent, claimants from both groups reported difficulty differentiating between the various documents they had received. Control and pilot claimants did not always understand

the purpose of information they were sent or any actions they were required to take on receipt of the documents.

There was some confusion around the various award notices that had been sent relating to their old joint claim, the 2006/07 single claim and the 2007/08 single claim. There was a tendency for some claimants to file the award notices away for future reference without reading through or checking the information first. This contributed to some pilot claimants not noticing the requirement for them to sign and return their 2006/07 single award notice. Some claimants requested greater distinction between provisional and final award notices, for example, by printing them on different coloured paper. Others felt that for those items requiring a response, a text box should be included on the front page, in a central location to draw attention to it. The text should state 'Action required' with a sentence or two telling the claimant what steps they needed to take and when. Alternatively, some claimants suggested including a separate cover letter to explain what is required in one or two sentences. There was a strong feeling that such an explanation should be made in plain English and should be kept short to allow for the fact that some claimants are either uninterested in or do not understand the information they are currently receiving.

Not all claimants recalled receiving a Renewal Pack. For those who had, there were few difficulties reported. The Annual Review and Declaration Forms were felt to be fairly straightforward and easy to use. A number of claimants were expecting to receive them, based on previous years' experience. Some felt the guidance booklet was too thick a document to be of any use; it was easier to contact the helpline instead. In addition, there were comments that there should be greater promotion of the possibility of conducting the finalisation and renewals stage over the phone as this could be a quicker and easier process.

In the case of reminder letters requesting that pilot claimants sign and return their provisional award notice, some claimants said they would welcome more explanation of what is required and why, rather than, as they perceived, 'threatening' correspondence. Some panicked when receiving such a letter as they depended on tax credits as a source of income; others felt the tone of the reminder letter could be a little 'strong' as an initial reminder. They felt that they had not deliberately misled HMRC so did not deserve to be addressed in such strong terms. Other claimants purported to not receive reminder letters in enough time to act on them; they felt that there should be a greater timeframe for action or that such letters should be sent further in advance.

Some claimants wanted to know more about how overpayments from the old (joint) claim had arisen and how this would affect their new (single) claim

There was some concern generally about the possibility of receiving overpayments, based on hearsay as much as personal experience, and the impact this could have on any subsequent award payments. Those with overpayments resulting from the joint award wanted to know more about what had caused the overpayment. There was also some desire for information to be provided about the possibility of paying it

back in instalments, as some had found it intimidating to be presented with the total. Some claimants also wished for confirmation of how, if at all, the overpayment would affect their new claim. Some claimants felt it should be made clearer what happens about contacting their ex-partner, although they tended to leave it to HMRC to arrange what repayments the ex-partner was required to cover.

Appendix A: Methodology

The research adopted a qualitative approach consisting of a series of depth interviews with people who were claiming tax credits and called the tax credits helpline between 19th and 22nd March 2007 to report a household break-up. This situation necessitates closing the joint claim for tax credits and re-applying for tax credits as a single claim. Callers to the helpline between these dates were randomly assigned to either the standard form-based (control) process of making a single claim for tax credits or to a telephone-based pilot process. Contact details of these claimants were supplied by HM Revenue & Customs and an opt-out letter was sent to all contacts, allowing them time to inform Ipsos MORI that they did not want to take part in this research.

We spoke to some claimants who had used the standard (control) procedure and others who had used the pilot process in order to compare and contrast experiences of the processes. Control claimants were not aware that an alternative pilot method was possible, but claimants who were offered the pilot process were told by advisers that they were part of a pilot, to warn them in advance that their call might last longer than usual.

A qualitative approach was most suited to this study as this method is able provide insights into the attitudes and experiences of people, which could not be examined in as much depth using a structured quantitative questionnaire. It is also ideal for exploring sensitive and potentially complex issues and experiences, such as family break-up and individuals' tax credits histories, as the moderator is able to develop trust with the claimants through the face-to-face and interactive approach.

The research comprised two waves. The first wave was conducted in two stages: a series of interviews with claimants who had been through the pilot process, followed by a series of interviews with claimants who had been through the standard process as well as some additional interviews with pilot claimants whose claims were taking longer to resolve. The second wave involved revisiting as many of the claimants as possible around six months after the initial interview to follow-up how their claim had progressed since the initial interview and how this affected their views of the pilot and control processes.

Details of the interviews achieved are included in Table 1 as follows. Depths took place in a range of locations and we spoke to claimants from a range of financial and family backgrounds and with differing experiences of using the tax credits process.

Table 1: 41 Interviews conducted: wave 1

Pilot/ Control	Pilot = 22		Control = 19		
Claiming Child or Working Tax Credit	CTC = 22 <i>13 pilot</i> <i>9 control</i>	WTC = 2 <i>1 pilot</i> <i>1 control</i>	Both = 14 <i>7 pilot</i> <i>7 control</i>	DK = 3 <i>1 pilot</i> <i>2 control</i>	
Household income	Under 15K = 12 <i>6 pilot</i> <i>9 control</i>	15-30K = 14 <i>8 pilot</i> <i>6 control</i>	30K+ = 9 <i>7 pilot</i> <i>2 control</i>	DK = 6 <i>1 pilot</i> <i>2 control</i>	
Experience of overpayments	Yes = 15 <i>10 pilot</i> <i>5 control</i>	No = 24 <i>11 pilot</i> <i>13 control</i>	DK = 2 <i>1 pilot</i> <i>1 control</i>		
Status of new claim	Ongoing = 28 <i>12 pilot</i> <i>11 control</i>	Complete = 13 <i>10 pilot</i> <i>8 control</i>			
Gender	Female = 39		Male = 2		
Ethnicity	White = 34		BME = 7		
Age (years)	<25 = 9	25-29 = 6	30-34 = 12	35-39 = 6	40+ = 7

The wave 1 interviews undertaken lasted from 30 minutes to approximately 2 hours in duration. The length of the discussion varied depending on the changes that had occurred in claimants' lives, the extent of their contact with HMRC and how easy it was for the claimant to discuss these topics. Claimants who had had a fairly amicable break-up, those more au-fait with form-filling and people for whom the processes had worked in a fairly straightforward way did not always have as much to say or could say it more succinctly than other claimants.

Table 2: 27 Interviews conducted: wave 2

Pilot/ Control	Pilot = 15		Control = 12		
Claiming Child or Working Tax Credit	CTC = 13 <i>6 pilot</i> <i>7 control</i>	WTC = 1 <i>1 pilot</i> <i>0 control</i>	Both = 11 <i>7 pilot</i> <i>4 control</i>	DK = 2 <i>1 pilot</i> <i>1 control</i>	
Current house-hold income	Under 15K = 10 <i>4 pilot</i> <i>6 control</i>	15-30K = 8 <i>4 pilot</i> <i>4 control</i>	30K+ = 7 <i>7 pilot</i> <i>1 control</i>	DK = 2 <i>1 pilot</i> <i>1 control</i>	
Gender	Female = 25		Male = 2		
Ethnicity	White = 25		BME = 2		
Age (years)	<25 = 6	25-29 = 3	30-34 = 7	35-39 = 5	40+ = 6

The wave 2 interviews lasted from around 30 to around 80 minutes. The length of the discussion varied according to claimants' individual experiences of using the process, in particular if they were an auto-renewals case or not and whether they had encountered an overpayment. Another factor affecting the interview length was how vividly claimants recalled different aspects of the process and how smoothly their claim had progressed.

Both waves of discussions were structured through the use of a discussion guide. This allows for a strong degree of commonality between interviews at different waves by prompting the same core questions, but does not restrict, or prevent, the moderator from dealing with issues which may be unique to claimants in each different interview. Copies of the two wave 1 discussion guides are provided in Appendix B and the single wave 2 discussion guide is contained in Appendix E.

Definitions, presentation and interpretation of the data

While qualitative research was the most appropriate methodological approach for this study, it is important to bear in mind that it utilises smaller samples that are chosen purposively, to ensure representation of a full range of views within the sample.

Qualitative research is designed to be illustrative and does not look to produce statistics and this needs to be taken into account when interpreting the research findings. In addition, it is important to bear in mind that the research deals with perceptions rather than facts (though perceptions are facts to those that hold them).

Throughout the report we have made use of verbatim comments to exemplify a particular viewpoint. It is important to be aware that these views do not necessarily represent the views of all claimants. Where verbatim comments have been used, the

claimant's attributes are given in the following order: Male/Female, control/pilot, claiming Child/Working Tax Credit, high/medium/low income⁵⁰.

Analysis

Each of the depth interviews were recorded and transcribed for analysis purposes. This was supplemented by numerous discussions among the research team to explore the themes arising at different stages of the research process. This helped to channel the key themes arising from the research and direct the report towards a coherent structure.

⁵⁰ High income refers to a household income of over £30,000 per year before the household break-up. Medium income refers to a household income of between £15,000 and £30,000 per year before the household break-up. Low income refers to a household income of under £15,000 per year before the household break-up.

Appendix B: Discussion guides (stage 1)

Discussion Guide A – Pilot Group

Core objectives

To explore the experiences of those who have recently experienced a household break-up in relation to their tax credits claim. Both general experiences and those related to the Household Break-up Telephone Claim Pilot will be covered.

The general experiences to be covered include:

- The extent to which they perceive the tax credits process to support their needs following a household break-up.
- How easy it is for them to make a new claim, and the extent to which they are aware of the need for this.
- Their communications preferences and the extent to which these are driven by the personal difficulties they are experiencing.

Experiences specific to the Household Break-up Telephone Claim Pilot include:

- How effectively the Pilot approach met their needs at this stressful time, and how this process might be improved further in the future.
- How easily claimants were able to make a new claim over the phone, whether they had the information needed to make this new claim, and where this was not the case, the barriers that prevent individuals from re-contacting HMRC to complete their new claim.
- Communication issues related to the Pilot.

Outline of the research programme

- 40 in-depth interviews to be conducted face-to-face by Ipsos MORI executives and directors, including 20 with the Pilot group and 20 with the Control group.
- Flexible quotas set on claim type (WTC only, CTC only, WTC and CTC), current household income, history of overpayment and gender; ethnicity, claim status and age to be closely monitored throughout recruitment.

Interview sections	Notes	Approx timing
1. Introduction and background	Sets the scene and gets background information on claimants including household break-up	10 mins
2. Awareness and experiences of making Tax Credit claims	Grounds the discussion and explores some general issues, such as ease of claims procedure, interactions with HMRC and awareness of the need to report changes in circumstances	20 mins
3. Experiences of the Pilot approach	Explores experiences of the Pilot approach, including ease of making a claim over the phone, how effectively this met their needs and what, if any, improvements might be made in future	20 mins
4. Communications preferences	Examines their preferred method/s of communication with HMRC and the extent to which the personal difficulties they are experiencing play a role in these preferences	10 mins

5. Conclusion and key message	Key messages, draws interview to a close	5 mins
Total		65 mins

Key Questions	Notes	Timing
<p>1. Background</p> <p>1.1 Scene-setting:</p> <ul style="list-style-type: none"> • Thank interviewee for taking part • Introduce self, Ipsos MORI, HMRC and explain the aim of the interview • Role of Ipsos MORI – research organisation, gather all opinions: all opinions valid, disagreements OK • Confidentiality: reassure all responses anonymous and that information about individual cases will not be passed on to any third party (e.g. HMRC) • Get permission to tape record – transcribe for quotes, no detailed attribution. <p>1.2 Introduction and background info: Reassure interviewees that everything they say to us is confidential, will not be passed to HMRC and will not affect their tax credits claim in any way. Important that the moderator stresses this to put the claimant at ease.</p> <ul style="list-style-type: none"> • First name • Where do you live? Who with? How long have you lived here? (household details) PROBE: How long ago did this happen? How have your circumstances changed since then (work/ working hours, house/ mortgage situation, receiving maintenance money from ex-partner childcare, etc)? • What do you do? (employment status) IF EMPLOYED: How many hours do you work each week, on average? How long have you been working these hours – have they changed recently? Do your working hours change from week to week, or from month to month? Do you have more than one job? How many? If so, for how long have you been working in more than one job? Do your working hours stay the same for each job every week, or do they change? How? CHECK IF NECESSARY: are you self-employed? Are you planning to change your job in the next twelve months – if so, how? How about your working hours – are you planning to change those? 	<p>Welcome: orientates interviewee, gets them prepared to take part in the interview Outlines the ‘rules’ of the interview (including those we are required to tell them about under MRS and Data Protection Act guidelines) No detail about specifics (e.g. Tax credits) at this stage. This ensures that spontaneity is retained for initial discussions and that the interviewee is not over-whelmed with information Interviewer note: Given the sensitive subject matter of household break-ups, it is important to convey to the claimant that s/he is being listened to (e.g. by speaking calmly, nodding in agreement, using open body language, etc) and has permission to talk. If claimants wander off the track of the discussion, gently guide them back to the discussion when appropriate, letting them have their say first.</p> <p>Interviewer note: The research materials are confidential; as far as possible, avoid showing the discussion guide to claimants and remember to take the guide and materials away with you at the end of the interview.</p> <p>Introduction: provides contextual background information about the interviewee (which can then be used in the analysis) Interviewer note: claimants might be wary in giving this information, especially if they have not already communicated it to HMRC. It is therefore important to emphasise to them that everything they say will be kept confidential and will not affect their claim. Interviewer note: details of household break-ups are likely to come out first at this stage. Asking about household composition in a neutral way (‘who do you live with?’) allows the claimant to introduce the household break-up themselves, in their own words. Probe sensitively on how their life has changed following the break-up. This level of detail about employment will be helpful, since this is likely to be a volatile period in claimants’ lives and it will be important to gather information on the extent to which they have already changed or expect to change their employment as a result of the break-up, as well as the security of their employment.</p>	10 mins

<p>IF NOT EMPLOYED:</p> <p>How long have you been unemployed?</p> <p>Do you or your partner have any disabilities which you feel have prevented you from seeking employment? PROBE IF SO FOR WHICH ONES, WHY THEY HAVE PREVENTED THEM – BARRIERS FACED AND SO ON.</p> <ul style="list-style-type: none"> Do you have any children living in your household? How many? How old is each child? <p>IF THEY HAVE CHILDREN: How do you manage your childcare arrangements at the moment? Has that changed recently?</p> <p><i>Probe on extent to which partner, ex-partner, family or friends, nursery, crèche facilities take a role in childcare.</i></p> <ul style="list-style-type: none"> Which government benefits, if any, do you receive? How long have you been receiving them? <p><i>Government benefits include Income Support, Jobseekers Allowance, Disability Living Allowance, Attendance Allowance, Incapacity Benefit, Council Tax Benefit, Housing Benefit, Child Benefit, Carer's Allowance, Child Tax Credit, Working Tax Credit, etc.</i></p>	<p>It will be important to understand the extent to which household break-ups are affecting claimants' childcare situations, since these can impact on their tax credits claim and may well be changing as a result of the break-up. Claimants may not yet have decided what to do about their childcare arrangements and may be considering several options, or simply feel they do not know what to do at this stage. It will be valuable to explore the extent to which those who have recently experienced a household break-up feel able to make decisions – for example, this may be a new experience for them as their partner may previously have handled key household decisions that they are now solely responsible for.</p>	
<p>2. Awareness/ experience of making Tax Credit claims</p>		
<p>Have you always claimed the same Tax credits that you are currently receiving?</p> <p>There's quite a lot of detail here – I'd just like to draw this across time, so that I have a clear idea of what's happened with your tax credits and when. Does that sound OK? WITH ALL CLAIMANTS: Complete a 'time journey' sheet, showing key milestones in their life histories since they have been claiming tax credits. Make sure that the new claim made as the result of the household break-up is recorded and noted as their 'new claim'.</p> <p>Check:</p> <ul style="list-style-type: none"> What stage they are at with their new claim (complete i.e. have been sent Award notice; ongoing i.e. new claim is being processed; cancelled i.e. claimant is not following new claim through; something else). <p>IF NEW CLAIM IS COMPLETE: what type of tax credits are they currently receiving (e.g. Child Tax Credit, Working Tax Credit, disability related supplements, childcare element).</p> <ul style="list-style-type: none"> What type of tax credits they were previously receiving (e.g. Child Tax Credit, Working Tax Credit, disability related supplements, childcare element). How long they have been claiming tax credits. Whether they have always claimed the same Tax credits (CTC/WTC) as they are currently receiving. 	<p>This gives a further opportunity for the interviewer to probe regarding the household break-up and a first opportunity to ask about the claimant's history of tax Credit claims.</p> <p>Use of a 'time journey' exercise here will enable us to map out events in claimants' lives that may have influenced their tax credits status, and gather their perceptions of their household break-up and Tax credits in a sensitive way without asking directly.</p> <p>Interviewer note: Detail needs to be gathered both on claimants' previous claim (pre-break-up) and their current claim, which may still be in process. Some people may not be able to give much detail about their current claim if it is still in process and they do not yet know what level of award they will receive.</p> <p>Interviewer note: Some claimants may not be sure whether they are claiming CTC or WTC – we will already have this information, since it will have been gathered at recruitment. The interviews will build up detailed case studies. These will be used to exemplify the findings of this project.</p> <p>Interviewer note: The discussion is to be focussed on tax credits only – try to steer clear of other benefits such as Child Benefit.</p>	<p>20 mins</p> <p>10 mins</p>

<ul style="list-style-type: none"> • Which government benefits they were claiming before claiming tax credits, and whether claiming tax credits ended this entitlement. • How soon they made a new Tax Credit claim as a result of the break-up. • At what stages they reported changes in their circumstances, what events prompted these, and how long they took between the change in circumstance happening and reporting the claim. • IF CLAIMANT ALSO RECEIVES ANY DWP BENEFITS (JOBSEEKERS ALLOWANCE (JSA), DISABILITY LIVING ALLOWANCE (DLA), ATTENDANCE ALLOWANCE, CHILD SUPPORT, CARER'S ALLOWANCE), PROBE: Have you ever reported changes in circumstance for [BENEFIT] to the Department for Work and Pensions? IF YES: what events prompted these, and how long after the event did you report the change in circumstance? IF THEY USED A DIFFERENT APPROACH TO THAT USED FOR WTC/CTC: why was this different for [BENEFIT] than for reporting changes that might affect your tax credits? • Whether they have been overpaid at any point, and if so, what the key stages in their overpayment experience were. <p>Do you generally manage your own finances and paperwork, or do other people help you – if so, who? Has this changed over time? Did you manage the paperwork for your previous claim, as well as this one? IF NO: did you and your partner do this jointly, or was your partner responsible for dealing with it?</p> <p><i>Moderator: I'd like to ask you about your experience of applying for tax credits, such as how you found the application process.</i> What made you apply for tax credits in the first place? <i>Explore:</i></p> <ul style="list-style-type: none"> • <i>Personal circumstances that led to their application.</i> • <i>Need that they were trying to address, if any.</i> • <i>Whether need was unplanned or part of general household budget planning.</i> • <i>If they heard about Tax credits and wanted to claim what they were entitled to, i.e. no strong need.</i> <p>What kinds of changes in their circumstances do people need to tell HMRC about? When do they need to let HMRC know about these changes? Before you called the helpline, did you know that people need to report household break-ups to HMRC? And did you know why that was? Were you aware that people need to make a new claim if their household breaks up?</p> <p>You are currently making or recently made a new Tax credits claim, after ringing the HMRC helpline. Is this the</p>	<p>This question will allow us to see whether the claimant has always assumed responsibility for his/her own financial affairs, or whether other people (such as an ex-partner) have taken a lead on this previously.</p> <p>This section will allow us to see what issues are 'top of the mind' in claimants' perceptions of tax credits – this is important since general attitudes to Tax credits may act as influences on claimants' attitudes to the Pilot and Control schemes. It will also help the moderator direct his/her questioning during the rest of the interview, by finding out at this early stage any particular issues that the claimant tends to focus on when s/he thinks and reasons about Tax credits.</p> <p>Moderators to be briefed on changes in circumstances prior to interview</p> <p>Interviewer note: Claimants may not be aware that they have made a new claim, especially if their claim is still in process. In these cases, please tell them that by their 'new claim' you mean the claim they made when they talked to HMRC on the phone recently after their circumstances had changed.</p>	
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<p>first time you have made a new claim, or have you made new claims before? IF THEY HAVE MADE A NEW CLAIM BEFORE: why did you make this/these new claim/s?</p> <p>What was the application process like when you made your new claim over the phone? I'm interested in the claim you've made most recently over the phone, not in any claims you made before that.</p> <p>Explore:</p> <ul style="list-style-type: none"> • Whether it was easy or difficult. • Method used (e.g. paper, in person, etc). • Whether anyone helped them in completing the application (e.g. external agency, family, friend, employer). • Helpfulness of the staff at HMRC. • Understanding of why decisions were made (e.g. level of entitlement, refusal, repayment requirement). • Experience of reviews process, if relevant. <p>IF THEY HAVE MADE A NEW CLAIM BEFORE: How did the application process for making your new claim this time compare with your previous experience/s of making new claims – was it similar or different? IF DIFFERENT: how was it different this time? Did this make the process easier or more difficult for you?</p> <p>How soon after your circumstances changed did you contact HMRC about your new Tax credits claim this time? Why was that? PROBE ESPECIALLY FOR REASONS FOR NOT NOTIFYING HMRC STRAIGHT AWAY – DIDN'T GET ROUND TO IT, TOO DISTRESSED, DIDN'T WANT TO FILL IN ANOTHER CLAIM FORM, ETC.</p> <p>Overall, how satisfied have you been with your experience of claiming tax credits? PROBE FOR POSITIVE/NEGATIVE EXPERIENCES.</p> <p>Why do you say that?</p> <p>And how about your experience of making new Tax credits claims – how satisfied have you been with that, overall? Why do you say that?</p> <p>IF HAVE BEEN RECEIVING TAX CREDITS FOR MORE THAN 12 MONTHS:</p> <p>Has your experience of claiming tax credits changed over time? How?</p>	<p>Interviewer note: The reviews process is when a claimant queries or appeals against a decision regarding their tax credits.</p> <p>Interviewer note: Try to steer clear of concentrating on only negative examples, try to get a broad picture of experience over the whole time of claiming tax credits.</p>	
<p>3. Experience of the Pilot approach</p>		<p>20 mins</p>
<p><i>Moderator: I'd like to ask you a bit more about your recent experience of making a new Tax credits claim. I'm interested in how you found the process and whether you feel it met your needs.</i></p> <p>This card is just to jog your memory – it shows how the process you will have gone through when you made your new claim. SHOW CARD A. ASK FOR EACH STAGE OF THE PROCESS (INCLUDING CALLBACK SERVICE FROM HMRC IF RELEVANT):</p> <ul style="list-style-type: none"> • Can you tell me what prompted you to contact HMRC in the first place? PROBE: WAS THIS BECAUSE THEY KNEW THEY NEEDED TO BECAUSE THEIR CIRCUMSTANCES HAD CHANGED, BECAUSE THEY TOLD ANOTHER 	<p>This section explores claimants' experiences of the Pilot in greater depth. It also gathers their views on which parts of the process could have been more effective, if any, how effective they think the Control process would have been, and the extent to which they believe the break-up made a difference to how they felt about the process.</p> <p>Using prompt cards here will aid recall of the process they went through when making their new claim, as well as making it easy to grasp how the process they did not experience would work. Card A shows the Pilot process, while Card B shows the usual process</p>	

<p>ORGANISATION ABOUT IT AND THAT ORGANISATION SUGGESTED THEY CONTACT HMRC, OR SOME OTHER REASON?</p> <ul style="list-style-type: none"> • Can you tell me what happened at this stage? How did you feel about that? • What was the contact you had with HMRC like at this stage? • Did you make your new claim over the phone? IF NO: why did you decide not to make your claim over the phone? IF YES: Were you able to give all your information over the phone straight away, or did you need to call back? How did you feel about giving this information over the phone? Were there any bits of information that were especially easy or difficult for you to provide? <p>Were there any parts of making your new claim that you found easier or more difficult than others? Which ones? Are there any parts of this process that you think could have worked better? IF YES: which ones, and how could they be improved? What impact would this have on you – and on other people? Is there anything else that would have made it easier for you to make your new claim? IF YES: what would have made it easier? Why do you say that?</p> <p>To what extent do you feel that HMRC supported you during the process of making a new claim? Why do you say that? Is there anything else that HMRC could have done that would have made you feel supported?</p> <p>Imagine you had made your new Tax credits claim for a different reason – for example, because your working hours had changed. Do you think your experience of making a new claim would have been any different – if so, in what way, and at which stages of the process? PROBE: would you have felt any differently? To what extent do you feel your personal circumstances at the time made a difference to your experience?</p> <p>This card shows another way in which the process could work. SHOW CARD B Do you think this would have made it any easier or more difficult for you to make your new claim, or would it have made no difference? IF EASIER OR MORE DIFFICULT: Why do you say that?</p> <p>Have you received a notice of award for your new claim? PROBE/EXPLAIN IF REQUIRED: This is the letter that is sent out to show what the new claim award is. YES/NO /DON'T KNOW – PROBE FOR DETAILS ABOUT WHEN RECEIVED LETTER, WHAT DONE WITH IT.</p> <p>IF HAS BEEN RECEIVED: Have you sent back the signed award notice/letter? IF YES: how quickly? IF QUICKLY: what were your reasons for sending it back so quickly? PROBE FOR REASON IF THE CLAIMANT HAS LEFT IT FOR A WHILE BEFORE SENDING THE SIGNED NOTICE</p>	<p>that the Control group will have experienced.</p> <p>This question is designed to gather views on the Control process without making claimants aware that they have actually experienced a Pilot.</p>	
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<p>BACK. IF NOT, why not? Not had time? Or not realised that it had to be returned?</p> <p>Are you aware of what might happen to the new award if you don't return it? PROBE FOR THOUGHTS ON HOW SYSTEM WORKS AND WHY THINK IT WORKS THIS WAY.</p> <p>Now you've started a new claim as a single adult, rather than your previous joint claim, what do you understand is the 'status' of your previous joint claim? PROBE IF NECESSARY: Do you think it's finished with? Are there any outstanding issues or responsibilities to deal with once you have informed HMRC of the change in circumstances? PROBE FOR DETAILS.</p> <p>Are you aware that previous joint claims have to be 'finalised' (and signed off) by HMRC at the end of the tax year?</p> <p>If there was any over-payment resulting from the previous joint claim, who do you think would be liable?</p> <p>IF YES (THINK IT IS FINISHED WITH): Can you describe the process of finishing/finalising your old joint claim?</p> <p>IF NO: What do you think happens/will happen?</p> <p>Have you talked to your former partner about your new TC claim? Do you have any idea what your former partner thinks about you making a new claim as a single person?</p> <p>Do you think that stopping the previous joint claim has had any financial impact on your former partner? Has/ did this affected your application for your new claim at all?</p> <p>IF SOME CHILDREN LIVE WITH CLAIMANT AND SOME LIVE WITH FORMER PARTNER: You mentioned that you have X children living with you and X live(s) with your former partner. Has this made a difference to the way in which you've claimed Child Benefit and CTC? PROBE FOR DETAILS, HOW DECIDED TO PROCEED THIS WAY, AND RE ANY DISPUTE</p> <p>PROBE FOR WHETHER THIS HAS RESULTED IN ADDITIONAL COMPLICATION OR IS SIMPLY ANOTHER CONSEQUENCE OF THE BREAK-UP THAT JUST HAS TO BE DEALT WITH?</p>	<p>Do not worry the claimant – the claim will eventually be halted if it's not returned, but there will be other letters they receive before that happens</p> <p>Both former claimants are jointly liable for the old claim. The end of the tax year in this case is after 5 April 2007.</p>	
<p>4. Communications preferences</p>		<p>10 mins</p>
<p>Still thinking about the tax credits claim you have made most recently, did the helpline advisor you spoke to give you not enough/ too much/ the right amount of information to help you make your new claim? How helpful was this information to you? What else would have been useful or more effective?</p> <p>IF THEY HAVE RECEIVED AN AWARD NOTICE FOR THEIR NEW CLAIM: You said earlier on that you've received an award notice about the claim you made most recently. How easy or difficult did you find the letter to understand? Were there some parts of it that were more difficult to understand than others – if so, which ones? What other information would have been useful, if any?</p>	<p>This section of the interview looks at communications preferences and information needs.</p> <p>We will seek to understand what it is that claimants need by way of information, the impact that this would have on their ability to claim Tax credits and their perceptions of the process, and how they think this should be provided to them.</p> <p>These questions are designed to explore claimants' understanding of why they receive a review form for the old claim as well as making a new claim, and of responsibility for</p>	

<p>Have you received a review form about your previous claim for tax credits, which you made with your former partner? How easy or difficult was it to understand the information on the form? Have you sent the form back to HMRC? IF NOT: what were your reasons for that? PROBE: DIDN'T GET ROUND TO IT, TOO DISTRESSED, DIDN'T WANT TO FILL IN ANOTHER CLAIM FORM, ETC. Did this make any difference to your decision to go ahead with your new claim at all? Did the helpline advisor mention that you would get a review form about your previous Tax credits claim? What did they tell you about this?</p> <p>IF THEY HAVE EXPERIENCED AN OVERPAYMENT: What's your understanding of why you were overpaid? What did your review form for your previous claim say about your overpayment? Who is responsible for paying back the overpayment – you, your ex-partner or both?</p> <p>Did you use the helpline at all to talk about the overpayment from your previous claim (that you made with your former partner)? What did the adviser say about how HMRC would deal with the overpayment? PROBE WHEN CLAIMANTS TALKED ABOUT OVERPAYMENT – WHEN THEY CALLED TO REPORT THE HOUSEHOLD BREAK-UP OR ON A LATER OCCASION. PROBE ALSO WHETHER THE CLAIMANT ASKED ABOUT IT OR IF THE ADVISOR RAISED THE ISSUE.</p> <p>To date, has not enough/too much/the right amount of information been made available to you about Tax credits and the process of claiming them? Why do you say this?</p> <p>How has HMRC provided information to you about Tax credits? PROBE FOR CHANNELS – BY LETTER, BY PHONE, BY EMAIL, ADVERTISING, ETC</p> <p>How do you feel about this? Are you happy with how this information is provided? PROBE FOR EACH CHANNEL MENTIONED: DO THE PERSONAL DIFFICULTIES THEY ARE EXPERIENCING PLAY A ROLE HERE?</p> <p>IF NOT HAPPY WITH INFORMATION PROVISION: Why do you say this? What else would have been useful or more effective?</p>	<p>overpayments from previous claim/s.</p>	
<p>5. Conclusion and key message</p>		<p>5 mins</p>
<p>Finally, just to conclude, can you summarise for me what you think about the process of making your most recent Tax credits claim? <i>Prompt where necessary:</i></p> <ul style="list-style-type: none"> • <i>To what extent did the process meet your needs at the time?</i> • <i>Could your experience have been improved – if so, how?</i> <p>Is there any key message you would like us to feed back to HMRC? We would like to follow up this interview in a few months' time. Would you be happy for Ipsos MORI to contact you again about taking part in research? HMRC is working to make the tax credits system as successful and efficient as possible. They may want to consult you further in the future. Would you be willing for</p>	<p>Formally ends the interview and provides reassurance that the findings will be both appreciated by and useful to HMRC.</p>	

Tax Credits and Household Break-ups

<p>Ipsos MORI to pass your contact details on to HMRC for the purpose of future research? The answers you have given in <u>this</u> interview will remain confidential to Ipsos MORI. Thank interviewee, explain the next steps (e.g. what HMRC will do with the findings) and close.</p>		
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Discussion Guide B – Control Group

Core objectives

To explore the experiences of those who have recently experienced a household break-up in relation to their tax credits claim, in particular:

- The extent to which they perceive the tax credits process to support their needs following a household break-up.
- How easy it is for them to make a new claim, and the extent to which they are aware of the need for this.
- Their communications preferences, and the extent to which these are driven by the personal difficulties they are experiencing.
- Length of time taken and ease with which they were able to complete the paper form for their new claim, and where they did not return their form, the experiences they had and the barriers that hindered them from doing so.
- How this group viewed their communications with HMRC and the extent to which they felt the Department supported them throughout the claiming process.

Outline of the research programme

- 40 in depth interviews to be conducted face-to-face by Ipsos MORI executives and directors, including 20 with the Pilot group and 20 with the Control group.
- Flexible quotas set on claim type (WTC only, CTC only, WTC and CTC), previous household income, history of overpayment and gender; ethnicity, claim status and age to be closely monitored throughout recruitment.

Interview sections	Notes	Approx timing
1. Introduction and background	Sets the scene and gets background information on claimants including household break-up	10 mins
2. Awareness and experiences of making Tax Credit claims	Grounds the discussion and explores some general issues, such as ease of claims procedure, interactions with HMRC and awareness of the need to report changes in circumstances	20 mins
3. Experiences of the Control approach	Explores experiences of the Control approach, including ease of filling in the forms, how effectively this met their needs and what, if any, improvements might be made in future	20 mins
4. Communications preferences	Examines their preferred method/s of communication with HMRC and the extent to which the personal difficulties they are experiencing play a role in these preferences	10 mins
5. Conclusion and key message	Key messages, draws interview to a close	5 mins
Total		65 mins

Key Questions	Notes	Timing
<p>1. Introduction and background</p> <p>1.1 Scene-setting:</p> <ul style="list-style-type: none"> • Thank interviewee for taking part • Introduce self, Ipsos MORI, HMRC and explain the aim of the interview • Role of Ipsos MORI – research organisation, gather all opinions: all opinions valid, disagreements OK • Confidentiality: reassure all responses anonymous and that information about individual cases will not be passed on to any third party (e.g. HMRC) • Get permission to tape record – transcribe for quotes, no detailed attribution. <p>1.2 Introduction and background info: Reassure interviewees that everything they say to us is confidential, will not be passed to HMRC and will not affect their tax credits claim in any way. Important that the moderator stresses this to put the claimant at ease.</p> <ul style="list-style-type: none"> • First name • Where do you live? Who with? How long have you lived here? (household details) PROBE: How long ago did this happen? How have your circumstances changed since then (work/ working hours, house/ mortgage situation, receiving maintenance money from ex-partner childcare, etc)? • What do you do? (employment status) IF EMPLOYED: How many hours do you work each week, on average? How long have you been working these hours – have they changed recently? Do your working hours change from week to week, or from month to month? Do you have more than one job? How many? If so, for how long have you been working in more than one job? Do your working hours stay the same for each job every week, or do they change? How? CHECK IF NECESSARY: are you self-employed? Are you planning to change your job in the next twelve months – if so, how? How about your working hours – are you planning to change those? 	<p>Welcome: orientates interviewee, gets them prepared to take part in the interview Outlines the 'rules' of the interview (including those we are required to tell them about under MRS and Data Protection Act guidelines) No detail about specifics (e.g. Tax credits) at this stage. This ensures that spontaneity is retained for initial discussions and that the interviewee is not over-whelmed with information Interviewer note: Given the sensitive subject matter of household break-ups, it is important to convey to the claimant that s/he is being listened to (e.g. by speaking calmly, nodding in agreement, using open body language, etc) and has permission to talk. If claimants wander off the track of the discussion, gently guide them back to the discussion when appropriate, letting them have their say first.</p> <p>Interviewer note: The research materials are confidential; as far as possible, avoid showing the discussion guide to claimants and remember to take the guide and materials away with you at the end of the interview. Introduction: provides contextual background information about the interviewee (which can then be used in the analysis) Interviewer note: claimants might be wary in giving this information, especially if they have not already communicated it to HMRC. It is therefore important to emphasise to them that everything they say will be kept confidential and will not affect their claim. Interviewer note: details of household break-ups are likely to come out first at this stage. Asking about household composition in a neutral way ('who do you live with?') allows the claimant to introduce the household break-up themselves, in their own words. Probe sensitively on how their life has changed following the break-up. This level of detail about employment will be helpful, since this is likely to be a volatile period in claimants' lives and it will be important to gather information on the extent to which they have already changed or expect to change their employment as a result of the break-up, as well as the security of their employment.</p>	<p>10 mins</p>

<p>IF NOT EMPLOYED:</p> <p>How long have you been unemployed?</p> <p>Do you or your partner have any disabilities which you feel have prevented you from seeking employment? PROBE IF SO FOR WHICH ONES, WHY THEY HAVE PREVENTED THEM – BARRIERS FACED AND SO ON.</p> <ul style="list-style-type: none"> Do you have any children living in your household? How many? How old is each child? <p>IF THEY HAVE CHILDREN: How do you manage your childcare arrangements at the moment? Has that changed recently?</p> <p><i>Probe on extent to which partner, ex-partner, family or friends, nursery, crèche facilities take a role in childcare.</i></p> <ul style="list-style-type: none"> Which government benefits, if any, do you receive? How long have you been receiving them? <i>Government benefits include Income Support, Jobseekers Allowance, Disability Living Allowance, Attendance Allowance, Incapacity Benefit, Council Tax Benefit, Housing Benefit, Child Benefit, Carer's Allowance, Child Tax Credit, Working Tax Credit, etc.</i> 	<p>It will be important to understand the extent to which household break-ups are affecting claimants' childcare situations, since these can impact on their tax credits claim and may well be changing as a result of the break-up. Claimants may not yet have decided what to do about their childcare arrangements and may be considering several options, or simply feel they do not know what to do at this stage. It will be valuable to explore the extent to which those who have recently experienced a household break-up feel able to make decisions – for example, this may be a new experience for them as their partner may previously have handled key household decisions that they are now solely responsible for.</p>	
<p>2. Awareness/ experience of making Tax Credit claims 20 mins</p>		
<p>Have you always claimed the same Tax credits that you are currently receiving?</p> <p>There's quite a lot of detail here – I'd just like to draw this across time, so that I have a clear idea of what's happened with your tax credits and when. Does that sound OK? WITH ALL CLAIMANTS: Complete a 'time journey' sheet, showing key milestones in their life histories since they have been claiming tax credits. Make sure that the new claim made as the result of the household break-up is recorded and noted as their 'new claim'. Check:</p> <ul style="list-style-type: none"> What stage they are at with their new claim (complete i.e. have been sent Award notice; ongoing i.e. new claim is being processed; cancelled i.e. claimant is not following new claim through; something else). IF NEW CLAIM IS COMPLETE: what type of tax credits are they currently receiving (e.g. Child Tax Credit, Working Tax Credit, disability related supplements, childcare element). What type of tax credits they were previously receiving (e.g. Child Tax Credit, Working Tax Credit, disability related supplements, childcare element). How long they have been claiming tax credits. Whether they have always claimed the same Tax credits (CTC/WTC) as they are currently receiving. Which government benefits they were claiming before claiming tax credits, and whether claiming tax credits ended this entitlement. 	<p>This gives a further opportunity for the interviewer to probe regarding the household break-up and a first opportunity to ask about the claimant's history of tax Credit claims. Use of a 'time journey' exercise here will enable us to map out events in claimants' lives that may have influenced their tax credits status, and gather their perceptions of their household break-up and Tax credits in a sensitive way without asking directly. Interviewer note: Detail needs to be gathered both on claimants' previous claim (pre-break-up) and their current claim, which may still be in process. Some people may not be able to give much detail about their current claim if it is still in process and they do not yet know what level of award they will receive. Interviewer note: Some claimants may not be sure whether they are claiming CTC or WTC – we will already have this information, since it will have been gathered at recruitment. The interviews will build up detailed case studies. These will be used to exemplify the findings of this project. Interviewer note: The discussion is to be focussed on tax credits only – try to steer clear of other benefits such as Child Benefit.</p>	<p>10 mins</p>

<ul style="list-style-type: none"> • How soon they made a new Tax Credit claim as a result of the break-up. • At what stages they reported changes in their circumstances, what events prompted these, and how long they took between the change in circumstance happening and reporting the claim. • IF CLAIMANT ALSO RECEIVES ANY DWP BENEFITS (JOBSEEKERS ALLOWANCE (JSA), DISABILITY LIVING ALLOWANCE (DLA), ATTENDANCE ALLOWANCE, CHILD SUPPORT, CARER'S ALLOWANCE), PROBE: Have you ever reported changes in circumstance for [BENEFIT] to the Department for Work and Pensions? IF YES: what events prompted these, and how long after the event did you report the change in circumstance? IF THEY USED A DIFFERENT APPROACH TO THAT USED FOR WTC/CTC: why was this different for [BENEFIT] than for reporting changes that might affect your tax credits? • Whether they have been overpaid at any point, and if so, what the key stages in their overpayment experience were. <p>Do you generally manage your own finances and paperwork, or do other people help you – if so, who? Has this changed over time? Did you manage the paperwork for your previous claim, as well as this one? IF NO: did you and your partner do this jointly, or was your partner responsible for dealing with it?</p> <p><i>Moderator: I'd like to ask you about your experience of applying for tax credits, such as how you found the application process.</i></p> <p>What made you apply for tax credits in the first place?</p> <p><i>Explore:</i></p> <ul style="list-style-type: none"> • <i>Personal circumstances that led to their application.</i> • <i>Need that they were trying to address, if any.</i> • <i>Whether need was unplanned or part of general household budget planning.</i> • <i>If they heard about Tax credits and wanted to claim what they were entitled to, i.e. no strong need.</i> <p>What kinds of changes in their circumstances do people need to tell HMRC about? When do they need to let HMRC know about these changes? Before you called the helpline, did you know that people need to report household break-ups to HMRC? And did you know why that was? Were you aware that people need to make a new claim if their household breaks up?</p> <p>You are currently making or recently made a new Tax credits claim after ringing the HMRC helpline. Is this the first time you have made a new claim, or have you made</p>	<p>This question will allow us to see whether the claimant has always assumed responsibility for his/her own financial affairs, or whether other people (such as an ex-partner) have taken a lead on this previously.</p> <p>This section will allow us to see what issues are 'top of the mind' in claimants' perceptions of tax credits – this is important since general attitudes to Tax credits may act as influences on claimants' attitudes to the Pilot and Control schemes. It will also help the moderator direct his/her questioning during the rest of the interview, by finding out at this early stage any particular issues that the claimant tends to focus on when s/he thinks and reasons about Tax credits.</p> <p>Moderators to be briefed on changes in circumstances prior to interview</p> <p>Interviewer note: Claimants may not be aware that they have made a new claim, especially if their claim is still in process. In these cases, please tell them that by their 'new claim' you mean the claim they made when they contacted HMRC most recently after their circumstances had changed.</p>	
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<p>new claims before? IF THEY HAVE MADE A NEW CLAIM BEFORE: why did you make this/these new claim/s?</p> <p>What was the application process like when you made your new claim? I'm interested in the claim you've made most recently, not in any claims you made before that.</p> <p>Explore:</p> <ul style="list-style-type: none"> • <i>Whether it was easy or difficult.</i> • <i>Method used (e.g. paper, in person, etc).</i> • <i>Whether anyone helped them in completing the application (e.g. external agency, family, friend, employer).</i> • <i>Helpfulness of the staff at HMRC</i> • <i>Understanding of why decisions were made (e.g. level of entitlement, refusal, repayment requirement).</i> • <i>Experience of reviews process, if relevant.</i> <p>IF THEY HAVE MADE A NEW CLAIM BEFORE: How did the application process for making your new claim this time compare to your previous experience/s of making new claims – was it similar or different? IF DIFFERENT: how was it different this time? Did this make the process easier or more difficult for you?</p> <p>How soon after your circumstances changed did you contact HMRC about your new Tax credits claim this time? Why was that? PROBE ESPECIALLY FOR REASONS FOR NOT NOTIFYING HMRC STRAIGHT AWAY – DIDN'T GET ROUND TO IT, TOO DISTRESSED, DIDN'T WANT TO FILL IN ANOTHER CLAIM FORM, ETC.</p> <p>Overall, how satisfied have you been with your experience of claiming tax credits? PROBE FOR POSITIVE/NEGATIVE EXPERIENCES.</p> <p>Why do you say that?</p> <p>And how about your experience of making new Tax credits claims – how satisfied have you been with that, overall? Why do you say that?</p> <p>IF HAVE BEEN RECEIVING TAX CREDITS FOR MORE THAN 12 MONTHS: Has your experience of claiming tax credits changed over time? How?</p>	<p>Interviewer note: The reviews process is when a claimant queries or appeals against a decision regarding their tax credits.</p> <p>Interviewer note: Try to steer clear of concentrating on only negative examples, try to get a broad picture of experience over the whole time of claiming tax credits.</p>	
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I 3. Experience of the Control approach		20 mins
<p><i>Moderator: I'd like to ask you a bit more about your recent experience of making a new Tax credits claim. I'm interested in how you found the process and whether you feel it met your needs.</i></p> <p>This card is just to jog your memory – it shows how the process you will have gone through when you made your new claim. SHOW CARD B.</p> <p>Did you return the form for your new claim? IF YES: how long did it take you to complete the forms? Once you received the form, how long was it until you sent the form back to HMRC? PROBE: Why was that? REASSURE CLAIMANT IF NECESSARY THAT THIS INFORMATION WILL NOT AFFECT THEIR TAX CREDITS CLAIM AND WILL NOT BE TRACED BACK TO THEM. IF NO: why didn't you return the form? PROBE FOR BARRIERS: DIDN'T UNDERSTAND WHAT I NEEDED TO DO, FORM TOO COMPLEX, TOO DISTRESSED, ETC. ASK FOR EACH STAGE OF THE PROCESS SHOWN ON THE CARD:</p> <ul style="list-style-type: none"> • Can you tell me what prompted you to contact HMRC in the first place? PROBE: WAS THIS BECAUSE THEY KNEW THEY NEEDED TO BECAUSE THEIR CIRCUMSTANCES HAD CHANGED, BECAUSE THEY TOLD ANOTHER ORGANISATION ABOUT IT AND THAT ORGANISATION SUGGESTED THEY CONTACT HMRC, OR SOME OTHER REASON? • Can you tell me what happened at this stage? How did you feel about that? • What was the contact you had with HMRC like at this stage? • How did you feel about filling in the paper form? Why do you say that? <p>Were there any parts of making your new claim that you found easier or more difficult than others? Which ones? Are there any parts of this process that you think could have worked better? IF YES: which ones, and how could they be improved? What impact would this have on you – and on other people?</p> <p>Is there anything else that would have made it easier for you to make your new claim? IF YES: what would have made it easier? Why do you say that?</p> <p>To what extent do you feel that HMRC supported you during the process of making a new claim? Why do you say that? Is there anything else that HMRC could have done that would have made you feel supported?</p> <p>Imagine you had made your new Tax credits claim for a different reason – for example, because your working hours had changed. Do you think your experience of making a new claim would have been any different – if so, in what way, and at which stages of the process? PROBE: would you have felt any differently? To what extent do you feel your personal circumstances at the time made a difference to your experience?</p>	<p>This section explores claimants' experiences of making their most recent new claim in greater depth. It also gathers their views on which parts of the process could have been more effective, if any, how effective they think the Pilot process would have been, and the extent to which they believe the break-up made a difference to how they felt about the process.</p> <p>Using prompt cards here will aid recall of the process they went through when making their new claim, as well as making it easy to grasp how the process they did not experience would work. Card A shows the Pilot process, while Card B shows the process that the Control group will have experienced.</p>	

<p>This card shows another way in which the process could work. SHOW CARD A Do you think this would have made it any easier or more difficult for you to make your new claim, or would it have made no difference? IF EASIER OR MORE DIFFICULT: Why do you say that?</p> <p>Now you've started a new claim as a single adult, rather than your previous joint claim, what do you understand is the 'status' of your previous joint claim? PROBE IF NECESSARY: Do you think it's finished with? Are there any outstanding issues or responsibilities to deal with once you have informed HMRC of the change in circumstances? PROBE FOR DETAILS.</p> <p>Are you aware that previous joint claims have to be 'finalised' (and signed off) by HMRC at the end of the tax year?</p> <p>If there was any over-payment resulting from the previous joint claim, who do you think would be liable?</p> <p>IF YES (THINK IT IS FINISHED WITH): Can you describe the process of finishing/finalising your old joint claim?</p> <p>IF NO: What do you think happens/will happen?</p> <p>Have you talked to your former partner about your new TC claim? Do you have any idea what your former partner thinks about you making a new claim as a single person?</p> <p>Do you think that stopping the previous joint claim has had any financial impact on your former partner? Has/ did this affected your application for your new claim at all?</p> <p>IF SOME CHILDREN LIVE WITH CLAIMANT AND SOME LIVE WITH FORMER PARTNER: You mentioned that you have X children living with you and X live(s) with your former partner? Has this made a difference to the way in which you've claimed Child Benefit and CTC?</p> <p>PROBE FOR DETAILS, HOW DECIDED TO PROCEED THIS WAY, AND RE ANY DISPUTE</p> <p>PROBE FOR WHETHER THIS HAS RESULTED IN ADDITIONAL COMPLICATION OR IS SIMPLY ANOTHER CONSEQUENCE OF THE BREAK-UP THAT JUST HAS TO BE DEALT WITH?</p>	<p>This question is designed to gather views on the Pilot process without making claimants aware that the process is actually being Piloted.</p> <p>NB. Control group claimants do not have to sign and return the award notice because they have signed the claim form.</p> <p>Do not worry the claimant – the claim will eventually be halted if it's not returned, but there will be other letters they receive before that happens</p> <p>Both former claimants are jointly liable for the old claim. The end of the tax year in this case is after 5 April 2007.</p>	
<p>4. Communications preferences</p> <p>Still thinking about the tax credits claim you have made most recently, did you feel you received not enough/ too much/ the right amount of information to help you make your new claim? How helpful was this information to you? What else would have been useful or more effective?</p> <p>IF THEY HAVE RECEIVED AN AWARD NOTICE FOR THEIR NEW CLAIM: You said earlier on that you've received an award notice about the claim you made most recently. How easy or difficult did you find the letter to understand? Were there some parts of it that were more difficult to understand than others – if so, which ones? What other information would have been useful, if any?</p> <p>Have you received a review form about your previous claim for tax credits, which you made with your former partner?</p>	<p>This section of the interview looks at communications preferences and information needs.</p> <p>We will seek to understand what it is that claimants need by way of information, the impact that this would have on their ability to claim Tax credits and their perceptions of the process, and how they think this should be provided to them.</p> <p>These questions are designed to explore claimants' understanding of why they receive a review form for the old claim as well as making a new claim, and of responsibility for overpayments from previous claim/s.</p>	<p>10 mins</p>

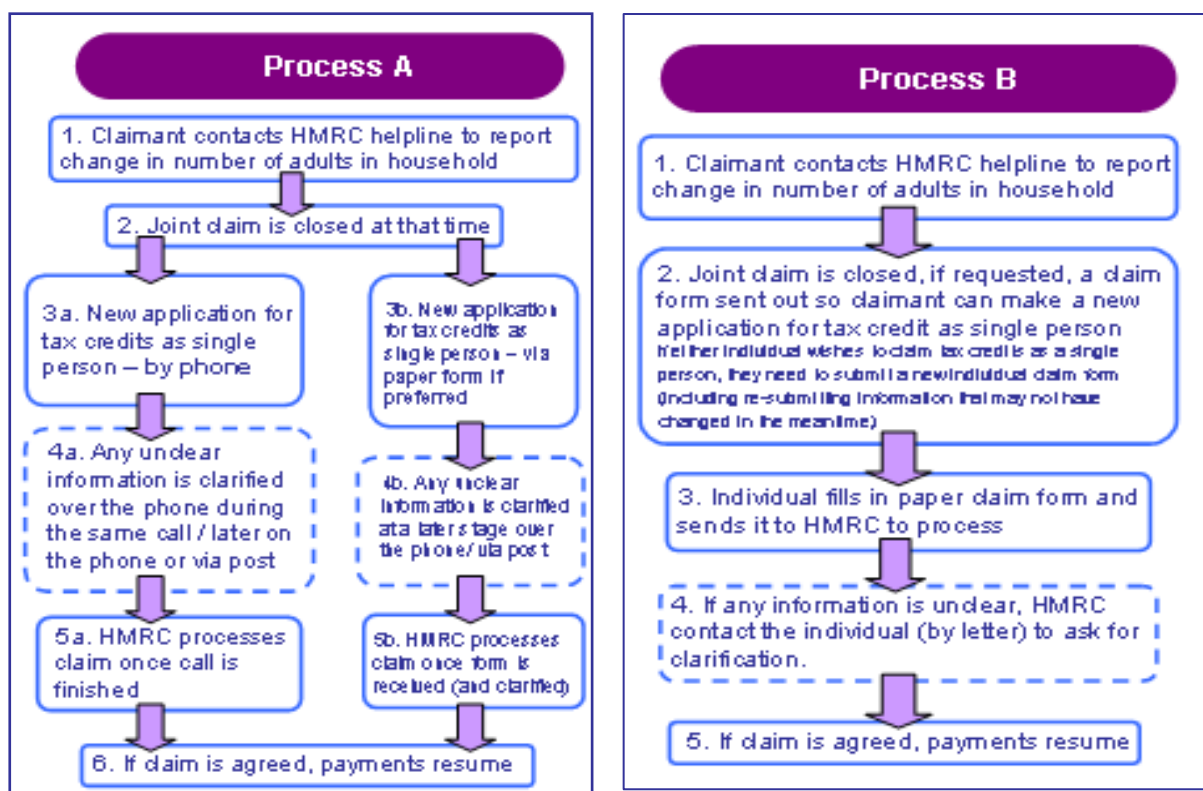
<p>How easy or difficult was it to understand the information on the form? Have you sent the form back to HMRC? IF NOT: what were your reasons for that? PROBE: DIDN'T GET ROUND TO IT, TOO DISTRESSED, DIDN'T WANT TO FILL IN ANOTHER CLAIM FORM, ETC. Did this make any difference to your decision to go ahead with your new claim at all?</p> <p>Did the helpline advisor mention that you would get a review form about your previous Tax credits claim? What did they tell you about this?</p> <p>IF THEY HAVE EXPERIENCED AN OVERPAYMENT: What's your understanding of why you were overpaid? What did your review form for your previous claim say about your overpayment? Who is responsible for paying back the overpayment – you, your ex-partner or both?</p> <p>Did you use the helpline at all to talk about the overpayment from your previous claim (that you made with your former partner)? What did the adviser say about how HMRC would deal with the overpayment? PROBE WHEN CLAIMANTS TALKED ABOUT OVERPAYMENT – WHEN THEY CALLED TO REPORT THE HOUSEHOLD BREAK-UP OR ON A LATER OCCASION. PROBE ALSO WHETHER THE CLAIMANT ASKED ABOUT IT OR IF THE ADVISOR RAISED THE ISSUE.</p> <p>To date, has not enough/too much/the right amount of information been made available to you about Tax credits and the process of claiming them? Why do you say this?</p> <p>How has HMRC provided information to you about Tax credits? PROBE FOR CHANNELS – BY LETTER, BY PHONE, BY EMAIL, ADVERTISING, ETC</p> <p>How do you feel about this? Are you happy with how this information is provided? PROBE FOR EACH CHANNEL MENTIONED: DO THE PERSONAL DIFFICULTIES THEY ARE EXPERIENCING PLAY A ROLE HERE?</p> <p>IF NOT HAPPY WITH INFORMATION PROVISION: Why do you say this? What else would have been useful or more effective?</p>		
<p>5. Conclusion and key messages</p>		<p>5 mins</p>
<p>Finally, just to conclude, can you summarise for me what you think about the process of making a new Tax credits claim?</p> <p><i>Prompt where necessary:</i></p> <ul style="list-style-type: none"> • <i>To what extent did the process meet your needs at the time?</i> • <i>Could your experience have been improved – if so, how?</i> <p>Is there any key message you would like us to feed back to HMRC?</p> <p>We would like to follow up this interview in a few months' time. Would you be happy for Ipsos MORI to contact you again about taking part in research?</p> <p>HMRC is working to make the tax credits system as successful and efficient as possible. They may want to consult you further in the future. Would you be willing for Ipsos MORI to pass your contact details on to HMRC for the purpose of future research? The answers you have</p>	<p>Formally ends the interview and provides reassurance that the findings will be both appreciated by and useful to HMRC.</p>	

Tax Credits and Household Break-ups

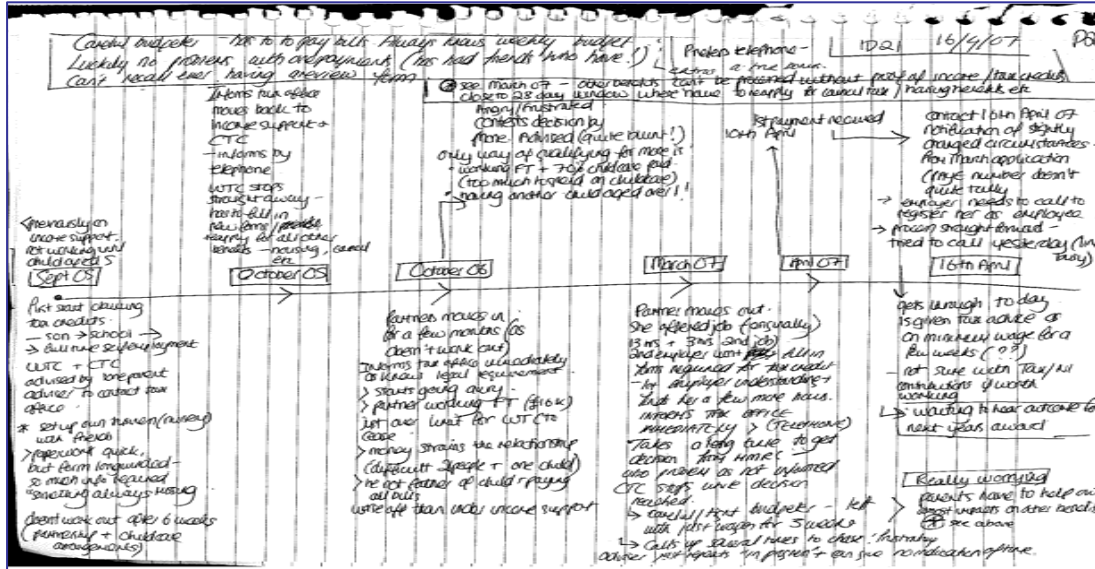
given in <u>this</u> interview will remain confidential to Ipsos MORI. Thank interviewee, explain the next steps (e.g. what HMRC will do with the findings) and close.		
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Appendix C: Stimulus material (stage 1)

Stimulus materials were used during the interviews to describe the standard (control) Tax credits claim process, and the pilot process. Those who had experienced the standard (control) process were shown stimulus card ‘Process A’ and asked to comment on what was described as a proposal for a new telephone-based approach. Claimants who had experienced the pilot process were unaware that the telephone process they had experienced was a pilot. They were shown ‘Process B’ and asked how that compared to their experience.



Appendix D: Example Tax Credit journey map



Appendix E: Discussion guides (stage 2)

Core objectives

The second stage of Household Break-up research should build on the first stage, exploring further developments in the claimants' 'Tax credits journey'.

Key aim

The key aim of the second stage of interviews is to explore what has happened since the last stage of interviews and how this has affected claimants' views of, and preferences for, the control / pilot approaches.

Within this key aim, the objectives (covering the new claim, the old claim and those relating to both claims) are to explore:

Overall

- How claimants have engaged with the tax credits system since the pilot, e.g. the level of contact / mode of contact.
- Any other changes of circumstances that may have occurred since the last interview, whether they reported these to HMRC (and awareness of the need to report), how they engaged with HMRC to do this (telephone or forms) and how they think this process compared with the household break-up pilot / control process they experienced.
- Views of the time taken to process the claims.
- How preferences for the pilot/ control approach have changed (or not) since stage 1 interview.
 - IF TIME: How the nature of the claimant (i.e. planners vs. non-planners) interacts with their experiences and the HMRC household break-up processes they are going through (e.g. meticulous claimants may be more likely to read letters/forms thoroughly and gain a greater understanding of what they need to do).
- How easily claimants find it generally to manage to distinguish between processes (including documents) which relate to the old (joint) claim and processes which relate to the new claim.

New claim

- Discuss how the new claim has progressed since stage 1 interview (in particular for those whose claim was on-going at stage 1)
- **All Pilot claimants (and Control claimants where mentioned during the interview that they have been asked to sign and return the award notice)** Investigate awareness/understanding and experience of the need to sign and return the award notice. Explore where this awareness/understanding came from.
 - Where necessary as a prompt, show claimants the section on the award notice that asks them to sign and return it to HMRC and explore what did / would have drawn their attention to that section.

- Also explore whether the nature of the claimant (e.g. planners vs. non-planners/ AND IF TIME: how easy they find reading) affects likelihood of reading Award notice and understanding what they are required to do.
- Explore claimants' experiences, views and understanding of the process of **finalising** the new claim for the previous year and **renewing** it for the current year. Claimants may make reference to forms received during the finalisation and renewals processes, such as:
 - The Annual Review Form.
 - The Annual Declaration Form (i.e. the need to complete and return this).
 - The final award notice for the previous year (2005/06) of the new claim.
 - The Initial award notice setting out the new claim award for the current year (2007/08).
- (For claimants with children) Explore how claimants and their ex-partners have split responsibility for the children/childcare and how they decided who would submit the new claim for Child Tax Credit.

Old (Joint) Claim

- Explore claimants' experiences, views and understanding of the process of finalising the old (joint) claim, including their experiences/understanding of:
 - The Annual Review Form.
 - The Annual Declaration Form (i.e. the need to complete and return this).
 - The final award notice for the previous year (2005/06) of the old claim.
- Discuss whether the process of finalising the old claim required them to communicate with their ex-partner and the implications of this.
- Explore recent experiences of overpayments that relate specifically to the old claim (which have been brought to claimants' attention at this stage). Explore how claimants were notified / became aware of any overpayments (eg. was it in writing from HMRC, through a phonecall to the helpline or from their ex-partner? how much they understand about how this happened, whether they have appealed against the overpayment, and explore repayment arrangements (DO NOT discuss general/past experiences or views of overpayments). MODERATOR: THE WRITTEN DOCUMENTS HMRC IS LIKELY TO IDENTIFY OVERPAYMENTS ON ARE: FINAL AWARD NOTICE AND NOTICE TO PAY LETTER), IT'S UNLIKELY THAT CLAIMANTS WILL REFER TO THESE BY NAME THOUGH.

Interview sections	Notes	Approx timing
1. Intro	Sets the scene and updates on changes to claimant's economic and/or domestic arrangements since the last interview.	5 mins
2. Next stages in tax credits 'journey'	Update on how claimant's Tax credits claim have progressed since last interview. Asks claimants how they felt about the time it took to process their claim. If claimant's economic and/or domestic arrangements have changed since the last interview, explore here whether the claimant has notified HMRC of these changes of circumstance and how aware the claimant is about the need to notify HMRC about such changes. If they have notified HMRC of these changes, briefly explore how they did this, the mode of communication used (e.g. telephone / forms) and how this process(s) compared with their experience of the pilot / control process.	10 mins
3. Award notice	This section covers understanding of award notice stage and claimant actions related to the award notice for the new claim. It should also explore claimants' understanding of what they need to do with the award notice (i.e. the need to sign and return it) and where this knowledge came from. It also needs to explore whether any claimants did not return the award notice and the consequences i.e. termination of their claim. What	10 mins

<p>stage</p>	<p>impact has this had on the overall experience of the pilot? What would have helped them to follow HMRC procedures at this point?</p> <p>IF NOT DONE AT STAGE 1: Pilot claimants (<i>Not control claimants unless they mention it during the discussion</i>) should be shown the award notice and asked if they noticed the section asking them to sign and return the form, and what did / would have drawn their attention to that section of the form.</p> <p>Explore how pilot claimants' views of the pilot have changed in light of what happened at this stage.</p> <p><i>Note: all pilot claimants should have signed and returned the award notice given their claim was taken over the telephone; control claimants will only have been asked to sign and return their award notice if their claim was deemed to be unsigned (e.g. where they had forgotten to sign their claim form).</i></p>	
<p>4. Finalisation / Renewals period</p>	<p>This section should discuss the claimant's general experiences/views of finalising the old (joint) claim as well as their experiences of finalising/renewing the new claim. Interviewers should be careful to probe for claimants' experiences, views and understanding and where these relate to the standard processes <u>without prompting them with the diagram of the standard processes until the end of the section</u>. The overall aim is to find out whether the subsequent stages of a new /old claim have affected the opinions that claimants had of the original pilot process.</p> <p>For the old (joint) and new claim:</p> <p>This section explores the process of finalising the old and new claims from the previous year and renewing new claim for the current year, and the extent to which claimants distinguish between these processes for the two claims. It should explore:</p> <ul style="list-style-type: none"> • Claimants' experiences and understanding of finalisations and renewals processes and why they were sent a number of forms (including any discussions claimants may have about their understanding of the forms they received such as, Annual Review Form; Annual Declaration form; Final award notice in terms of how they link in with these 2 parts of the tax credits process). <i>No need to work through forms in detail – but just see how much claimants know about the process and what the forms are aiming to do (eg. the need to finalise the 2006/07 single claim even if only in Award for short time; confirming details for 2007/08 Award). Also, which, if any, they read or returned.</i> • Were claimants aware that they needed to complete and return the Annual Declaration Form for their new and old claims and what their experiences were of doing this including interaction with ex-partners to complete Annual Declaration form for old claim and feelings about this. If they did not complete and return the Annual Declaration form, what happened? E.g. were they sent Reminder Notices? Implications of these next stages on their views of the pilot/control process. • Whether claimants have received the final award notice for the previous year of their old and new claims, and if they have, their understanding of the purpose of these Final award notice. How they gained this knowledge; what else could have helped them? • The impact the finalisation process has had on their relationship with their ex-partner: i.e. whether the process has required them to have a higher level of contact with their ex-partner than they would otherwise had and the implications of this, particularly on views of the pilot/control process. • Any difficulties in the handling of tax Credit claims relating to children, i.e. how clear are they on who is now responsible for the children/childcare (e.g. in situations of joint custody) and how did they and their ex-partner decide who would submit the new Child Tax Credit claim? • Claimants' experiences and understanding of the Initial award notice for the current year of their new claim. • Whether any of these issues have had an impact upon claimants' overall views of the pilot / control process. <p>Finally, if appropriate, show claimants a diagram detailing the standard processes they should have gone through for both their old (joint) claim and their new claim, and explore:</p> <ul style="list-style-type: none"> • How they think their experience may have differed from the standard processes (e.g. compare their timeline with the diagram of standard processes), what stage they think they have reached and what could have happened to delay their claim (e.g. did they not complete/ return the Annual Declaration Form) • Their views of the standard finalisation/renewal processes discussed and how this affects their overall view of the pilot/control process. • Whether claimants would prefer claims to be finalised in-year so that estranged parties (i.e. the claimant and their ex-partner) can tie-up all the loose ends of the old (joint) claim without a potentially long delay between the break-up and the finalisation of the claim • <i>NOTE: Due to the timing of the pilot, these claimants notified HMRC of their break-up in March, so this will be less of an issue for them – perhaps ask claimants to think how they would have felt notifying HMRC of the break-up in say, October 2006 and then having to go through finalisation process in June/July 2007.</i> 	<p>25 mins</p>

<p>5. Overpayments or underpayments related to termination of the old (joint) claim</p>	<p>This section explores issues related to overpayments and/or underpayments from the old (joint) claim, focusing only on overpayments/underpayments which have been incurred that relate to the finalisation of the old claim. Explore:</p> <ul style="list-style-type: none"> • How they found out about/became aware of the overpayment/underpayment – e.g. via the final award notice or via a subsequent Notice to Pay letter. [Any over-/underpayments related to the termination of the old claim will have been cited in the final award notice and this section should explore claimants' awareness/understanding of this.] • How they dealt with the situation once they realised an overpayment/underpayment had occurred (e.g. did they ignore it or contact HMRC). If claimants appealed the decision in the final award notice explore their experiences of doing this. • If claimants have subsequently received a Notice to Pay letter regarding an overpayment, explore their understanding and views of the Notice to Pay letter. [NOTE: Notice to Pay letters are issued 30 days after the final award notice if claimants make no attempt to re-pay nor dispute the overpayment mentioned in the final award notice.] • Whether claimants feel there is any (indirect) interaction between overpayments from the old claim and the new claim (e.g. is having to meet any overpayments related to the termination of the old claim resulting in claimants not getting the most out of the money they receive from the new claim). [Need to know what is mentioned on this subject unprompted.] • If incurred underpayment on old (joint) claim, explore how this was paid back to them and their ex-partner. • Explore how they feel about any over-/underpayments incurred as a result of the termination of the old (joint) claim. • If claimants are repaying overpayments arising from the termination of the old (joint) claim, explore how they are organising this with their ex-partner (e.g. how are they splitting the repayments). • How experiences of overpayments may have affected their views of the pilot / control processes. 	<p>10 mins</p>
<p>6. Preference for pilot/ control process</p>	<p>This section reviews with claimants how they feel about the pilot vs. the control process in light of the next stages, i.e. reporting further changes of circumstances; Award notice stage and finalisation / renewals stage, which process (control or pilot) they would prefer and why. For those wishing to keep the paper-based approach, probe the reasons why. If claimants' economic and/or domestic arrangements have changed since the last interview and they did notify HMRC of these changes, explore how satisfied they were with the available approaches (e.g. form-based approach), and how this compares with their views on the household break-up pilot (telephone-based) approach.</p>	<p>5 mins</p>
<p>7. Conclusion</p>	<p>Key messages, draws interview to a close</p>	<p>5 mins</p>
<p>Total</p>		<p>70 mins</p>

Key Questions	Notes	Timings
1. Background		
<p>1.1 Scene-setting:</p> <ul style="list-style-type: none"> • Thank interviewee for taking part • Introduce self, Ipsos MORI, HMRC and explain the aim of the interview • Role of Ipsos MORI – research organisation, gather all opinions: all opinions valid, disagreements OK • Confidentiality: Re-emphasise to claimants that everything they say is confidential, will not be passed to HMRC (or any other third parties) and will not affect their tax credits claim in any way. Important that the moderator stresses this to put the claimant at ease. • Get permission to tape record – transcribe for quotes, no detailed attribution. <p>1.2 Review of stage 1 and background info:</p> <ul style="list-style-type: none"> • How did you find the previous interview? <i>PROBE BRIEFLY any points they bring up to get a sense of how they felt last time</i> • How have things changed for you since we spoke before? <i>REFER TO PREVIOUS SITUATION AS RELEVANT</i> <p>PROBE ON:</p> <ul style="list-style-type: none"> • Who currently live with (partner, kids) • Changes/ planned changes in where they live or mortgage situation • Changes in or thoughts about changing work status/working hours/ self-employment • Changes in income level • How any changes in disability status have affected employment prospects • Changes since stage 1 interview in maintenance/ childcare/ sharing of family responsibilities with ex partner – and whether changes are settled or on-going? <i>Probe on extent to which partner, ex-partner, family or friends, nursery, crèche facilities take a role in childcare.</i> • Changes in which government benefits they claim including working/Child Tax Credit <i>Prove on Government benefits including Income Support, Jobseekers Allowance, Disability Living Allowance, Attendance Allowance, Incapacity Benefit, Council Tax Benefit, Housing Benefit, Child Benefit, Carer's Allowance, Child Tax Credit, Working Tax Credit, etc.</i> • If claiming new/ stopped claiming benefits probed why, when happened 	<p>Sets the scene and updates on changes to claimant's economic and/or domestic arrangements since the last interview.</p> <p>The research materials are confidential; as far as possible, avoid showing the discussion guide to claimants and remember to take the guide and materials away with you at the end of the interview.</p> <p>Discuss any changes in childcare since stage 1 as these can have an impact on their tax credits claim and may well be changing as a result of the break-up.</p> <p>NOTE TO RESEARCHER: Focus on updating changes since last interview not duplicating info collected at stage 1 interview. For each change probe on how and how soon communicated change to HMRC.</p>	5 mins

2. Next stages in the tax credits 'journey'		10 mins
<ul style="list-style-type: none"> Have you had contact with HMRC about any other issues? IF YES (BRIEFLY) EXPLORE WHAT ISSUE WAS + IMPRESSION IT LEFT OF HMRC <p>REFER TO TIMELINE FROM STAGE 1. REMIND CLAIMANT BRIEFLY OF TAX CREDIT SITUATION AT STAGE 1. I think that last time we spoke.... [AND SUMMARISE WHAT WAS GOING ON FOR THEM THEN]. Is that correct? NOTE ANY POINTS OF CLARIFICATION THEY MAKE AND IF RELEVANT EXPLORE WHY THEIR VIEWS HAVE CHANGED</p> <p>Are you able to talk me through (like we did last time) how things have progressed with your tax credits claims since I spoke to you last? Is that ok? IF NECESSARY: It helps to give me a clear idea of what happened when.</p> <p>CHECK:</p> <ul style="list-style-type: none"> What stage is the new claim at? (complete i.e. have been sent Award notice; ongoing i.e. new claim is being processed; cancelled i.e. claimant is not following new claim through; something else) IF ECONOMIC/DOMESTIC CHANGES SINCE STAGE 1: <ul style="list-style-type: none"> You said that ...[INSERT CHANGE]. Did you tell HMRC about these changes? How did you inform HMRC about these changes (telephone/form)? How satisfactory did you find this process of informing HMRC of further changes? Why do you say that? What type of tax credits they currently receive (e.g. Child Tax Credit, Working Tax Credit, disability related supplements, childcare element). Any changes in type of tax credits claimed since stage 1 (e.g. Child Tax Credit, Working Tax Credit, disability elements, childcare element) and why changed Are they in Award yet? (EXPLAIN FUTHER IF NECESSARY) If no, why do they think this is? When received Award notice How feel about the level of new award: did they have any expectations/ ideas about what they might receive (and how accurate were their expectations)? When received first payment (and subsequent ones) When <u>received</u> renewals form for old/ new claims When/if <u>returned</u> renewals form for old/ new claims If any overpayments on old/new claim. FOCUS ON <u>OVERPAYMENTS ON OLD JOINT CLAIM INCURRED AS RESULT OF FINALISATION</u>. Have you had any difficulties at all with claiming tax credits [since we spoke to you before]? What happened? Why? How was it resolved? PROBE FOR TELEPHONE/PAPER/ ANY OTHER CONTACT 	<p>Updates us on how claimant's Tax credits claim have progressed since last interview. Include receipt of award notice, resumption of payments, renewals process for old AND new claims, any issues with overpayments but these are explored in more detail in other sections. Asks claimants how they felt about the time it took to process their claim and whether they have updated HMRC about any subsequent changes.</p> <p>COMPLETE A NEW 'TIME JOURNEY' SHEET SHOWING KEY MILESTONES IN THEIR LIFE HISTORIES SINCE <u>STAGE 1 INTERVIEW</u>.</p> <p>REFER TO NEW 'STAGES OF A TAX CREDITS CLAIM' PROMPT AS RELEVANT TO GET CLAIMANTS TO DISCUSS WHAT HAPPENED AT DIFFERENT STAGES FOR THEM (AND WHERE THEY ARE AT THIS STAGE)</p> <p>NOTE TO RESEARCHER: <u>OVERPAYMENTS ON RECENT OLD JOINT CLAIM ONLY, NOT HISTORIC OVERPAYMENTS. NOTE BRIEFLY MAIN STAGES IN OVERPAYMENTS EXPERIENCE BUT PARK MAIN DISCUSSION UNTIL SECTION 5. IF ANY OVERPAYMENTS RELATING TO THE NEW CLAIM, NOTE DOWN BUT DO NOT EXPLORE IN</u></p>	<p>10 mins</p>

<ul style="list-style-type: none"> You received your first payment X days/ weeks after putting your new claim in - how do you feel about that? Was this an acceptable length of time? What could have been done differently [BY HMRC + BY CLAIMANT] to speed up how quickly the claim was processed? And have other payments progressed smoothly/ were they the sum expected? Why/ why not? 	<p>DETAIL.</p> <p>INTERVIEWER NOTE: Do not duplicate any of the stage 1 discussion here</p>	
<p>3. Award notice stage</p>		<p>10 mins</p>
<p>REFER BACK TO NEW (STAGE 2) TIMELINE: So you have you received an award notice for your new claim.</p> <ul style="list-style-type: none"> Why do you think HMRC sent out these notices? What is the purpose of them? Did you understand what to do with the award notice? IF YES: How did you find out what you needed to do? Who did you speak to or contact to find out about this? <p>IF NOT RECEIVED AWARD NOTICE, EXPLORE WHY THEY THINK THIS HAS HAPPENED AND ANY PERCEIVED IMPACT ON CLAIM. THEN CONTINUE ON THROUGH SECTION ASKING RELEVANT QUESTIONS</p> <p><u>IF PILOT CLAIMANT AND AWARD NOTICE RECEIVED:</u></p> <ul style="list-style-type: none"> Have you sent back the signed award notice? <p>IF YES:</p> <ul style="list-style-type: none"> When did you send it back? Why did you send back the signed award? What might happen if you did not send it back or if you send it back late? Are there any benefits for you [claimant] in signing and sending back this notice – what/why? How soon did you send it back? Why did you send it back so quickly/ wait so long? How has dealing with the award notice and the need to sign and send it back affected what you think of the {pilot/control} process? <p><u>IF PILOT CLAIMANT NOT SENT BACK/ LEFT FOR A WHILE BEFORE SENDING SIGNED NOTICE BACK</u></p> <ul style="list-style-type: none"> Why did it take you a while/ why have you not signed and sent back the notice? PROBE REASONS – NOT HAD TIME? OR NOT REALISED NEEDED TO DO? PROBE WHEN INTEND TO SEND IT BACK Are you aware of what might happen to the new award if you don't return this signed award notice? Who told you about this? PROBE FOR THOUGHTS ON HOW SYSTEM WORKS AND WHY THINK IT WORKS THIS WAY How do you feel about receiving this paperwork – when your contact earlier on was via phone? Does this seem a logical check on data provided or does it feel disjointed? Why? Have you experienced any problems with getting your payment as a result of not sending back a signed award notice? What has happened? How does that affect your 	<p>This section covers understanding of award notices stage and claimant actions related to the award notice. It should also explore claimants' understanding of what they need to do with the award notice (i.e. the need to sign and return it).</p> <p>NOTE TO RESEARCHER: It is anticipated that the vast majority should have received an award notice but need to have some back-up options here in case the claimant insists that they have not (for whatever reason)</p> <p>ONLY COVER WITH CONTROL CLAIMANT IF THEY MENTION THAT THEY WERE ASKED TO RETURN A SIGNED AWARD NOTICE – WILL BE LESS COMMON</p>	<p>This section will be much shorter for control claimants (5-10 mins) than for pilot claimants (10-15 mins)</p>

<p>view of the process (pilot) you have been through since reporting your household break-up?</p> <ul style="list-style-type: none"> ○ How has dealing with the award notices and the need to sign and send it back affected what you think of the (pilot) process? <ul style="list-style-type: none"> ● ASK ALL: Since reporting household break-up, what do you think about the level of information you have received about the process (ending old claim; starting new one etc.)? <ul style="list-style-type: none"> ○ IF NOT HAPPY WITH INFORMATION PROVISION: Why do you say this? What else would have been useful or more effective? <p>PROMPT MATERIAL: AWARD NOTICE.</p> <ul style="list-style-type: none"> ● How easy/ difficult did you find the award notice to understand? Why? PROBE FOR EXAMPLES? ● How could the layout of this notice be improved? ● How could the terms used be made clearer? ● What else could be improved about this notice? <p>FOR CONTROL CLAIMANTS:</p> <p>READ OUT (AND REFER TO RELEVANT POINT ON FORM): Claimants who made their new Tax credits claim over the phone would be asked to send back a signed copy of this notice (to confirm that the information on it was correct).</p> <ul style="list-style-type: none"> ● How would you feel about the need to do this? ● How would this make you feel about the possibility of making a claim over the phone? PROBE FOR REASONS WHY POSITIVE/ NEGATIVE STEP. (ie is it viewed as just another stage of bureaucracy or a chance for claimants to confirm – and make a copy if needed – that their information has been taken down correctly?) ● How could this requirement be made clearer on the notice? <p>FOR PILOT CLAIMANTS WHO SENT FORM BACK QUICKLY</p> <ul style="list-style-type: none"> ● What drew your attention to this requirement to return a signed copy of the notice? ● Did you have any difficulties sending back this form? PROBE ANY MENTIONED ● What could be done to make this requirement clearer for claimants? How could this be phrased better or made more obvious? <p>FOR PILOT CLAIMANTS WHO SENT FORM BACK LATER/ DIDN'T RETURN FORM</p> <ul style="list-style-type: none"> ● What would have drawn your attention more to this requirement to sign and send back this notice? 		
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<ul style="list-style-type: none"> Did you have any difficulties sending back this form? PROBE ANY MENTIONED. <p>What would have helped you send back the form sooner – or made it easier for you to do so?</p>		
<p>4. Finalisation/ Renewals period a) The old(joint) and new claim (finalising the old claim for 2006/7; finalising the new claim for 2006/7 and renewing this claim for the current financial year 2007/8)</p>	<p>INTERVIEWER: CLAIMANTS LIKELY TO BE AT VARYING STAGES OF THE PROCESS. IF THEY HAVE NOT FULFILLED THEIR ROLE AT ANY POINT, THIS IS LIKELY TO DELAY THE PROCESS SO THEY MAY NOT HAVE REACHED THE END YET.</p>	<p>20 mins</p>
<p>EXPLAIN IF NECESSARY: <i>When a relationship breaks down, if the tax credits payments are to continue, there needs to be a new claim made as a single person. This is because there has been a change to the people making the claim and receiving Tax Credit payments. Were you aware of this?</i></p> <ul style="list-style-type: none"> What do you remember being told when reporting the household break-up about what would happen to the new and the old claims at the next stages of the process (e.g. during the renewal and finalisation process)? PROBE FOR LEVEL OF INFO AT DIFFERENT POINTS EG. ORIGINAL HELPLINE CALL, DURING PROCESS OF MAKING NEW CLAIM, AT RENEWALS STAGE Do you feel that you had enough information earlier on about this stage of the claim? Did you want more info or feel you had too much info, too soon? Why? What has been your experience of the next stages of the tax credits process (e.g. renewals and finalisation– ie what happened once you had received your award notice and payments had resumed)? Has this differed to your experience of reporting the household break-up up til that point? If so, how? Thinking about both your old (joint) and your new (single) claim for tax credits, what forms have you received in the last few months (ie since the award notice)? DO NOT EXPECT CLAIMANTS TO KNOW NAMES What is the purpose of these forms? Why do HMRC require you to complete them? How does being sent this paperwork make you feel about the claim? Does it make you think differently about the phonecall/ paper form you used to make your new claim? Why? <p>READ OUT: These forms are sent out to a) finalise the old joint claim, b) finalise the 2006/07 single claim and c) renew the single claim for 2007/08.</p> <ul style="list-style-type: none"> What did you understand you should do with the forms? How were you told about what you needed to do with them? (Original pilot/control contact; recontacting helpline; info on form, etc.)? And what have you done with these forms? MARK ON TIMELINE. PROBE REASONS FOR NOT DOING ANYTHING WITH FORM: DIDN'T GET ROUND TO IT, TOO DISTRESSED, DIDN'T WANT TO FILL IN ANOTHER CLAIM FORM. 	<p>This section explores claimants' experiences of finalising and renewing the old (joint) and new claim and any interactions between these. Probes for experiences, views and understanding and where these relate to the standard processes – without prompting with chart. It also touches on the impact the process has had on their relationship with their ex-partner and the handling of any split up of children. It should also explore how these issues have had an impact upon their overall view of the pilot / control process.</p> <p>PARK ANY COMMENTS ON OVERPAYMENTS UNTIL NEXT SECTION</p> <p>FOCUS ON RECENT EXPERIENCE ONLY, NOT WHAT HAPPENED IN PREVIOUS YEARS</p> <p>NOTE DOWN ANY POINTS RELATING TO INDIVIDUAL FORMS BUT OTHERWISE FOCUS ON OVERALL PICTURE</p> <p>Claimants need to return Annual Declaration Form for new and old claims.</p> <p>ASK THIS QUESTION OF BOTH PILOT AND CONTROL CLAIMANTS – CONTROL CLAIMANTS CAN ANSWER FROM A HYPOTHETICAL POINT</p>	

<ul style="list-style-type: none"> ○ IF NOT RETURNED FORM STRAIGHTAWAY: Did you receive any reminder notices? How much did these letters help you understand the process? ● How did you find this finalisation and renewals stage? Would you say it was straightforward or confusing? A necessary but understandable stage or did it appear overly bureaucratic? How could this be improved? ● What could have helped this stage of the process work more smoothly? What else? ● Would you have liked more information about this stage? IF YES, What further info? At what point in the whole process would it be most helpful to be given information about this? ● Overall, how do you feel about this system of sending out forms to formally close old accounts – and apply for tax credits for the upcoming year? ● Looking back on the whole experience of closing and finalising your old joint claim, opening your new single claim and continuing the claim for the following year - is it easy to use? Why/ not? ● Does any aspect of it seem confusing to you? What? How could this be improved? ● How do your experiences at this stage affect your views of the system? <ul style="list-style-type: none"> ○ PROBE: Would you be more or less willing to make your new claim over the phone after reaching this stage? Why do you say that? <p><u>Ex-partner and children</u></p> <p>READ OUT: Your ex-partner will also have been asked to complete and return some forms in relation to the old claim? Has this caused any issues for your claim?</p> <ul style="list-style-type: none"> ● How has the process of finalising your old claim affected your relationship with your ex-partner? DID IT ENCOURAGE CONTACT, WAS THIS BAD/ OK? WHY? How do you feel about the tax credits system for this? <ul style="list-style-type: none"> ○ IF CHILDREN SPLIT UP: How has the process of finalising your old claim affected your/ex's relationship with the children (esp. non-resident children)? <p>IF HAVE CHILDREN:</p> <p>How did you and your ex-partner decide which of you was going to submit the claim for future Child Tax Credit?</p> <p>IF SOME CHILDREN LIVE WITH CLAIMANT AND SOME LIVE WITH EX: You mentioned that you have X children living with you and X live(s) with your former partner. Has this made a difference to the way in which you've claimed Child Benefit and CTC? PROBE FOR DETAILS, HOW DECIDED TO PROCEED THIS WAY, AND RE ANY DISPUTE</p>		
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4. Finalisation/ Renewals period		5 mins
<p>REFER TO STIMULUS MATERIAL IF APPROPRIATE – DIFFERENT PROCESSES These charts show the process you should have gone through for your old (joint) claim and your new claim.</p> <ul style="list-style-type: none"> • How does your experience compare to this? PROBE FOR STAGE THEY THINK THEY HAVE REACHED; IF THEY ARE 'BEHIND', WHAT DO THEY THINK CAUSED THIS (EG NOT RETURNING ANNUAL DECLARATION FORM)? <ul style="list-style-type: none"> ○ FOR ANY DIFFERENCES, PROBE WHY THEY OCCURRED, WHAT COULD HAVE MADE SYSTEM WORK BETTER • How does your experience of the finalisation and renewals process (old AND new claims) make you feel about the tax credits process? • And how has this renewals phase affected how you feel about making a new claim via phone or on a paper form? Does it change which way you'd prefer to do it? Why? • If you had the choice, would you prefer to have your old claim finalised at the time you split up with your partner (rather than waiting until the end of the financial year) or is the timing not important? <ul style="list-style-type: none"> ○ Imagine if you and your partner split up earlier in the financial year (eg October), how do you think you would feel about waiting until June/ July to go through the finalisation of the old claim? 	<p>This section explores claimants' experiences of finalising and renewing the new claim viewed against the way the system should work. Compares and probes for overall views of the system.</p>	

<p>5. Overpayments or underpayments NOTE TO RESEARCHER: ONLY EXPLORE OVER-/ UNDERPAYMENTS FROM RECENT OLD CLAIM (ENDED MARCH '07). DO NOT COVER UNRELATED PAST EXPERIENCES OF OVERPAYMENTS OR GENERAL VIEWS</p>	<p>IF NO OVERPAYMENT EXPERIENCE, GO TO SECTION 6</p>	<p>10 mins</p>
<ul style="list-style-type: none"> • Moving on now to thinking about whether you have had an over-/ underpayment on your old (joint) claim? Or one on your new claim? MARK ON TIMELINE IF NOT ALREADY THERE. • When and how did you how found out about the overpayment. EG. FINAL AWARD NOTICE, NOTICE TO PAY LETTER, RENEWALS LETTER, HELPLINE ADVISOR, OTHER DOCUMENTS. IF FOUND OUT FROM RENEWALS LETTER: Is this an appropriate way of communicating this? Why/ not? <ul style="list-style-type: none"> ○ IF NOT NOTICED IT ON FINAL AWARD NOTICE: Any over-/ underpayment is usually mentioned in the final award notice – did you notice this? • How did you feel when you realised that you had received an over-/ underpayment? <ul style="list-style-type: none"> ○ How much do you understand about why overpayment happened? Was it expected or a surprise? • What did you do once you found out that you had had an over-/ underpayment? EG CONTACT HMRC, CONTACT EX, WAIT FOR HMRC TO CONTACT YOU, IGNORE IT <ul style="list-style-type: none"> ○ IF APPEALED OVERPAYMENT: What made you decide to appeal this? How did you find out that you could appeal an overpayment? What stages did you go through? How do you feel about the process you went through – and any decision? • Have you received a Notice to Pay letter about your overpayment? <ul style="list-style-type: none"> ○ How helpful was the letter in advising you of your options? How easy was it to understand? Did it tell you what you needed to know about sorting out an overpayment? How did you feel when you read it? • What information have you received about how repayments can be made? How easy was it to agree a repayment level? <ul style="list-style-type: none"> ○ Whose responsibility is it to repay this money? How does the overpayment on the old claim affect your relationship with your ex-partner? How have you decided on how you will repay the overpayment between you? What are the implications of this for you? ○ In the case of an underpayment, was this sum paid back to you or your ex-partner? Did this create any problems for you? Did this have an impact on your relationship with your ex- 	<p>This section explores issues related to over-/ underpayments from the old claim. This section should NOT explore unrelated, past experiences of overpayments or explore general views of overpayments.</p> <p>NOTICE TO PAY LETTERS ARE ISSUED 30 DAYS AFTER THE FINAL AWARD NOTICE IF CLAIMANTS MAKE NO ATTEMPT TO RE-PAY OR DISPUTE THE OVERPAYMENT MENTIONED IN THE FINAL AWARD NOTICE</p> <p>ANY OVERPAYMENT FROM OLD CLAIM WILL NOT BE TAKEN DIRECTLY OUT OF THE NEW CLAIM – BUT IT IS LIKELY TO HAVE SOME IMPACT AS IT WILL NEED TO BE PAID BACK.</p> <p>INTERVIEWER: THIS IS LIKELY TO BE A SENSITIVE AREA – PLEASE TREAD CAREFULLY WHEN YOU ARE ASKING THIS. YOU MAY ALSO BE ABLE TO PICK THIS POINT UP FROM OTHER COMMENTS MADE RATHER THAN ASKING DIRECTLY.</p>	

<p>partner?</p> <p>How has this experience of over-/ underpayments affected your view of the process of reporting a household break-up (pilot vs control)?</p>		
<p>6. Preference for the control or pilot method</p>		<p>5 mins</p>
<ul style="list-style-type: none"> • Looking back over the entire process of reporting a household break-up and making a new claim (including the award notice and finalisation stage) how satisfied have you been with it? Why do you say that? <ul style="list-style-type: none"> ○ Which aspects of this process could have worked better or made it easier for you? • Last time, we showed you these charts with 2 different ways the system could work. Do you remember which way you thought would work better and why? GET CLAIMANT TO SAY IN THEIR OWN WORDS IF POSSIBLE, BUT PROMPT IF THEY LEAVE OUT ANY MAJOR POINTS MENTIONED BEFORE • And bearing in mind all your experiences over the last few months, now that you've been through the whole process, would you prefer to make your new claim over the phone or using a paper form? Why do you say that? IF RELEVANT: Why have you changed your mind since I was last here? <ul style="list-style-type: none"> ○ PROBE FOR REASONS WHY PREFER TO KEEP PAPER FORM: Why do you think HMRC should keep the option of applying for a new claim via a paper form? PROBE FOR EXTENT TO WHICH VIEWS ARE DRIVEN BY LACK OF TRUST IN HMRC OR PRACTICAL REASONS – AND WHICH IS MOST IMPORTANT ○ PROBE FOR REASONS WHY PREFER TELEPHONE APPROACH ○ IF NOTIFIED HMRC OF ANY ECONOMIC/DOMESTIC CHANGES SINCE STAGE 1: How satisfied were you with the process of subsequently updating your circumstances for HMRC? How did this compare to your experience/ the idea of updating circumstances by phone? Why? • Does the way the award notice stage works here make you feel any differently about using the phone to a make a new claim for tax credits? Why do you say that? How could this be clearly explained to callers? At what stage should this requirement be mentioned? • How about the renewals stage – signing off the information for the old and the new claims? Does the way this works have any impact on whether you'd prefer to have made your new claim by phone or using a paper form? Why? • IF RELEVANT: How do you think your experience would have been different if you'd used the other method originally to report your change in circumstances? Why? Would it have made it easier or not? Why? 	<p>This section reviews with claimants how they feel about the pilot vs. the control process in light of the next stages, i.e. Award notice stage and renewals stage, which process (control or pilot) they would prefer and why. For those wishing to keep the paper-based approach, it probes particularly as to the reasons why. It also looks at how any subsequent notification to HMRC of a further change in circumstances compares.</p> <p>REFER TO STIMULUS MATERIAL</p> <p>SUBSEQUENT UPDATES OF CIRC. WOULD HAVE BEEN VIA PAPER FORM – NOT TELEPHONE-BASED</p>	

<ul style="list-style-type: none"> • And if HMRC were to bring in a system of claiming tax credits online via the internet, what would you think about that? Would you prefer to claim over the internet rather than using a paper form? Probe on reasons. Would you prefer to claim over the internet rather than claiming over the telephone? Probe on reasons 		
<p>7. Conclusion</p>		5 mins
<ul style="list-style-type: none"> • Finally, just to conclude, can you summarise for me how you feel about how efficiently and how quickly your new claim was processed and how long it took until you received your first payment? And views on resolution of old claim? • And what do you think about making a new claim over the telephone compared to paper? Just briefly, which do you prefer and why? • Is there any key message you would like us to feed back to HMRC? PROBE on AWARD NOTICES/ RENEWALS PROCESS (OLD/NEW CLAIMS)/ RECENT OVERPAYMENTS <p>HMRC is working to make the tax credits system as successful and efficient as possible. They may want to consult you further in the future. Would you be willing for Ipsos MORI to pass your contact details on to HMRC for the purpose of future research? The answers you have given in <u>this</u> interview will remain confidential to Ipsos MORI. Thank interviewee, explain the next steps (e.g. what HMRC will do with the findings) and close.</p>	<p>Key messages, draws interview to a close</p>	

Appendix F: Stimulus material (stage 2)

Initial Award Notice

Sent around time of first payment. Tells claimant level of award. Claimant needs to sign and return one copy to HMRC to confirm information is correct (if not already confirmed by signing claim form).

Annual Review Form*

Most sent by mid-June. For claimant to check info provided for previous year's tax credit claim. The upcoming year's tax credit claim will be based on this info.

Annual Declaration Form*

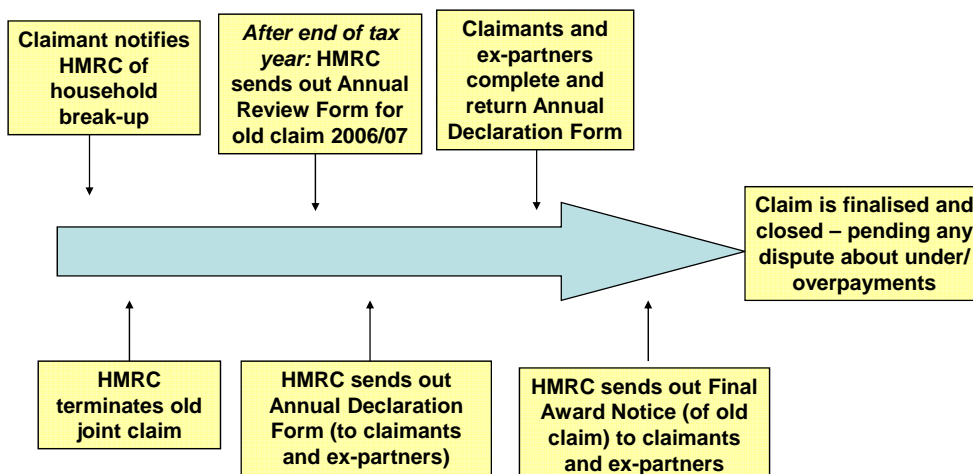
Most sent by mid-June. For (most) claimants to confirm that the info provided in the Annual Review Form is correct. These must be signed and returned to HMRC.

Final Award Notice

Sent once Annual Declaration Form is received. Confirms for claimant total award for the previous year. Details any under/ overpayments (based on info given in Annual Declaration Form).

* Part of the Renewals pack

Process of finalising the old (joint) claim



Process of making a new Tax Credits claim

