

Tax Credits Renewals

Findings from the 2009 Panel Study of Tax Credits and Child Benefit Customers

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Executive summary

This report presents the findings of the 2009 Panel Study of Tax Credits and Child Benefit Customers – a major research study of the experiences of tax credits recipients. The study was carried out by the National Centre for Social Research and commissioned by HM Revenue & Customs (HMRC). This report focuses on people's experiences with the renewals process of tax credits.

Research findings

Overview of recipients experience and knowledge about 2008 renewals process

The research provides an overview of recipients' overall experience of the renewals process. The majority of people reported that the process was either quite easy or very easy (83 per cent) and they felt confident about what to do during renewals (90 per cent). Most (93 per cent) recipients said that they did not experience any problems with the renewals documents. Problems reported typically related to the complexity of the annual review form and renewal instructions.

Just over half of recipients used the guidance notes HMRC sent with the annual renewal pack. Thirty-nine per cent of recipients used and found the guidance notes easy to understand although some groups reported difficulties. Most recipients (80 per cent) did not seek any help or advice about the renewal process. Those that sought help or advice were most likely to use the tax credits helpline (75 per cent), friends or relatives (12 per cent).

Timeliness of renewing was measured by looking at the length of time recipients said it took them to renew their award and whether that was before or after the renewals deadline. The majority of tax credits recipients that renewed their award reported doing so within two weeks of receiving their renewal pack (63 per cent). Most tax credits recipients renewed before the deadline.

Knowledge of the renewals process was measured by awareness of the renewal deadline and awareness of the consequences of late renewals. Most recipients (81 per cent) were aware of the renewals deadline but fewer were aware of the consequences of late renewing. Sixteen per cent were aware that late renewing could lead to overpayment.

Differences in recipient journey through 2008 renewals process

Recipients' experience of and behaviour during renewals, and their knowledge of the process were not uniform across all groups of recipients. They varied according to how long the recipient had been claiming tax credits, general abilities such as whether the recipient usually needed help in understanding official forms, the recipient's financial capabilities, and personal and family characteristics, for example, whether or not the recipient or his/her partner was self-employed, had a limiting long-standing illness or whether the recipient was from a Black, Asian or Ethnic Minority Group.

The length of time a recipient had been receiving tax credits was related to various aspects of their tax credits journey including:

- Recipients who had been claiming for more than five years were more likely to say the renewals process was easy, were more likely to feel confident about what to do during renewals and more likely to be aware of the renewals deadline.
- However, longer-term recipients were more likely to take longer to renew than newer recipients.
- Longer-term recipients were just as likely to use guidance notes as those that had been claiming for one year or less.

Recipients who tended to agree with the statement 'I often need help understanding official forms' were more likely to report that:

- They found it difficult to renew their tax credits, they did not feel confident about what to do at renewals, they had problems with the renewals documents and found the guidance notes difficult to understand.

In the study, different aspects of financial capability were measured by asking recipients if they agreed or disagreed with four statements about their how they dealt with their finances. An overarching financial capability score was calculated for each recipient using their responses to these statements. Recipients were then classified into one of three groups (those with a high, medium or low financial capability score). Recipients with low financial capability scores were less likely to say that they:

- Had found the renewals process easy, were aware of the deadline; and had renewed within one week of getting their renewals pack.
- Felt less confident about what to do at renewals, had problems with the renewal documents and had missed the renewal deadline.

There is evidence in the findings that the self-employed or recipients who had a self-employed partner tended to find renewals more challenging compared with other recipients. These recipients were:

- Less likely to have said the renewals process was easy, tended to take longer to renew their award and were more likely to have sought help with the renewals process.

Recipients who had a limiting longstanding illness/disability or whose partner had a limiting longstanding illness were less likely to say that they felt confident about what to do during renewals, more likely than other families to report that they found the guidance note difficult to understand and more likely than other recipients to say that they sought help with renewals.

Recipients from Black, Asian and Minority Ethnic Groups generally had similar experiences of the 2008 renewals process as other recipients except for two aspects:

- They were more likely to use the guidance notes than other recipients and they were not as knowledgeable about what would happen if recipients renewed their award after the deadline.

The Panel Study included questions to gauge the proficiency in English of all recipients irrespective of whether English is their first or second language. Recipients who said that they could not read English newspapers/magazines or who could not write a letter/email in English were more likely than other recipients to say that they did not feel confident about what to do at renewals.

Recipients views about changes to the renewals process

Recipients were asked if they thought that any changes were required to the renewal deadline or to the renewals process overall. Most recipients thought that the deadline was about right (85 per cent). The majority of suggested changes to the renewals process typically related to simplifying renewals overall. Recipients' opinions of the deadline were associated with how long it had taken them to renew. Those that had taken longer to renew (one month or more) were more likely to report that the deadline was too long. Tax credits recipients that waited until after the deadline to renew were more likely to say that the deadline was too short than those that renewed on time. Around a quarter of recipients thought that changes were required to the renewals process. When asked about whether changes were required to the renewals process certain groups were more critical than others. These included those that had difficulty understanding official forms, those that took one month or longer to renew, and Child Tax Credit recipients.

Reporting changes of circumstances during renewals

The report explores the reporting of changes of circumstances during renewals. Many recipients reported changes of circumstances during renewals (21 per cent of all changes were reported during this time).

Conclusions

- The main problems reported were with the complexity of forms and other paperwork. Guidance notes were used by just over half of recipients. The majority of recipients found the guidance notes easy to understand although some groups reported difficulties. Households where the main recipient or their partner had a disability or longstanding illness and recipients who needed help to understand official forms were more likely to have had trouble understanding the guidance notes.
- Tax credits recipients were aware of some aspects of the renewals process but not others. The majority were aware of the deadline but not that renewing after the deadline could lead to overpayments.
- The majority of tax credits recipients were satisfied with the length of the renewal period. However, those that took a long time to renew thought that the deadline was too long.
- Thinking that changes were required to the renewals process was more common amongst those that thought that the effort of claiming was disproportionate to the benefit that they received.

1 Introduction

Tax credits were introduced in April 2003 with the primary aims to provide adequate financial incentives to work, to reduce child poverty, and to increase financial support for all families. Latest statistics show that over six million families benefited from tax credits in 2009-10.¹

Tax credits are awarded on an annual basis and recipients have to renew their claim at the end of each tax year between April and July. At renewals, recipients provide HM Revenue and Customs (HMRC) with information to enable HMRC to ensure that payments for the previous year were correct and the award for the year that has just started is based on the correct current circumstances of recipients. As a part of the renewals process recipients receive an annual renewal pack containing a number of forms and recipients have to do the following:

- Check that the description of their current circumstances on the annual review form is correct;
- Report any incorrect information/missing information of change to their circumstances to HMRC; and
- For recipients who receive the annual declaration form in their renewal pack, give HMRC details of their income for the tax year that has just ended. Recipients can provide income information either by completing the declaration form or by calling the Tax Credits Helpline.

Renewing the claim is an important part of the tax credits process. Recipients take actions at renewals which can affect the outcome of their award. For example:

- Recipients may get an overpayment for the tax year that has just started if their circumstances have changed since the previous year, they do not renew promptly and report this change
- Those who do not provide HMRC with the correct information about their circumstances may get an error in their award.
- HMRC will stop the tax credits of those who do not renew by the deadline (31 July) and will take steps to recover the tax credits paid out between April and 31 July.

As renewals is a key part of claiming tax credits, HMRC is committed to improving:

- recipients' experience of the renewals process;
- encouraging recipients to renew their award as early as possible; and
- ensuring recipients are aware of the implications of late renewals and the failure to renew their award.

¹ Child and Working Tax Credits Statistics Finalised Annual Awards 2009-10.
<http://www.hmrc.gov.uk/stats/personal-tax-credits/cwtc-final-awards-may11.pdf>

This report presents research findings that can help HMRC take forward the objectives above. The findings are from the 2009 Panel Study of Tax Credits and Child Benefit Customers conducted by the National Centre for Social Research. The study was a large-scale survey launched by HMRC to explore recipients' experience of claiming tax credits. It interviewed 3,706 current and previous tax credits recipients in 2008/9 and followed up many of those over three years. As well as collecting background demographic information, the study covered people's experiences of the tax credits system from initial application, reporting changes in circumstances and renewals. The 2009 study took place between October 2008 and March 2009. For a more detailed description of the research, please refer to the technical report of the 2009 study.²

Findings from the Panel Study offer a unique insight into the renewals process. While a lot of factual data are recorded as part of the administration of tax credits, the panel study is able to go beyond that and explore information that is not recorded on the administration data, for example, the recipients' knowledge of the renewals process as well as experiences and behaviours such as seeking help from sources other than HMRC, and perceived ease of the renewals process.

The aim of this report is to explore the following six major aspects of the renewals process:

- a) Recipients' experience of tax credits renewals;
- b) the time recipients took to renew their award;
- c) knowledge of the renewals process;
- d) differences in experience, approach used and knowledge about the renewals process;
- e) views about changes to the renewals process; and
- f) reporting changes of circumstances during renewals.

All the findings in this report refer to tax credits recipients who were in receipt of tax credits in 2007-08 and who went through the renewals process in 2008.

The report analyses the extent to which the experiences of the renewals process differ between various groups of recipients. Only differences that are statistically significant are discussed and tables for these differences are included in the Appendix C. Appendix A includes a more detailed description of the analysis strategy.

² Please refer to the technical report of the 2009 Panel Study of Tax Credits and Child Benefit Customers for the full details (see <http://www.natcen.ac.uk/study/tax-credit--child-benefit-study>)

2 Research findings

2.1 Overview of recipients' experience of and knowledge about the 2008 renewals process

This section explores recipients' experience of and knowledge about the 2008 renewals process. In particular, it explores recipients' overall experience of the renewals process to shed light on the following questions:

- Did recipients find it easy to renew their tax credits?
- Did recipients feel confident about what to do at renewals?
- Did recipients have any problems with the renewal documents?

It also explores the approaches that recipients took. For example,

- Did recipients use guidance notes?
- Were the guidance notes easy to understand?
- Did recipients seek help or advice with renewals?
- How long did recipients take to renew their award?
- What proportion of recipients renewed late?

Finally, it assesses recipients' knowledge of renewals, in particular:

- Did recipients know that they had to renew their award by 31 July?
- Did recipients know what happens if they renew their tax credits after 31 July?

2.1.1 Recipients' overall experience of the 2008 renewals process

The findings from the 2009 Panel Study indicate that the majority of recipients were able to cope with the renewals process in 2008.

- Over eight in ten (83 per cent) said that they found the renewals process easy, nine per cent said that the process was neither easy nor difficult and only eight per cent reported that the process was difficult.
- Ninety per cent reported that they felt confident about what to do at renewals while one in ten said that they did not feel confident. However it is important to note that the 2009 Panel Study did not have any information to assess whether those who said they felt confident about what to do at renewals actually followed the process correctly.
- Over nine in ten (93 per cent) revealed that they had not experienced any problems with the documents in the renewal pack.
- Some of the recipients who experienced problems said that they had problems with more than one document. The problems mostly related to complexity of the documents. Of those who experienced problems with the renewals documents, 40 per cent and 25 per cent mentioned that they found the annual review and the annual declaration form complicated while 31 per cent mentioned that the

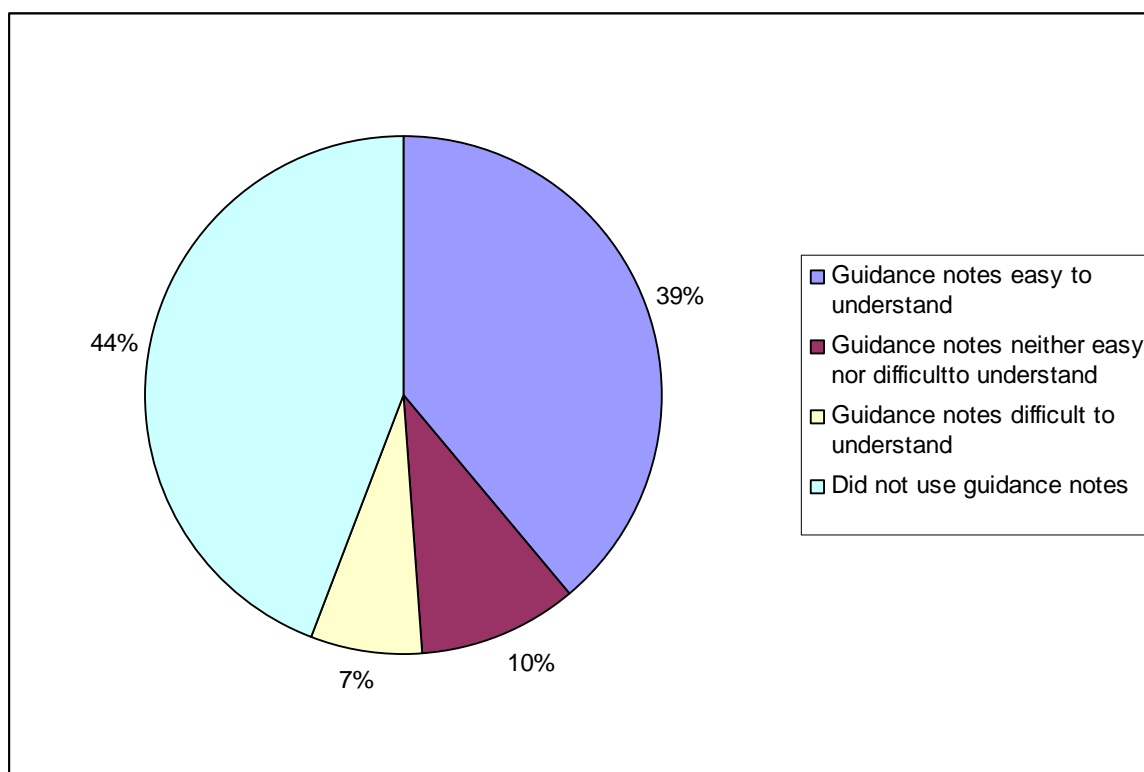
instructions on how to renew the award were not clear. Of all tax credits recipients three per cent and two per cent mentioned that they found the annual review and the annual declaration form complicated while two per cent felt that the instructions on how to renew the award were not clear.

- Some recipients also mentioned having problems with those guidance notes. Two per cent said that the notes were complicated and one per cent felt that the notes were too long. The next section contains more findings on recipients' experience of the guidance notes.

2.1.2 Overview of how recipients approached the renewals process

The renewal pack contains guidance notes to help recipients renew their award. Over half the recipients (56 per cent) revealed that they had used the notes and four in ten (44 per cent) did not use the notes. Of all claimants, thirty-nine per cent said that they were easy to understand and ten per cent said that they were neither easy nor difficult to understand. Seven per cent reported using the notes but had found them difficult to understand.

Figure 1.2: Use of guidance notes



Base: Tax credits recipients in receipt of tax credits in 2007-08 and went through renewals process in 2008

A fifth of recipients revealed that they had sought help or advice with the renewals process. Three-quarters of those who sought help reported using the Tax credits Helpline as a source of help or advice. Twelve per cent asked friends or relatives for guidance. Other sources of advice such as the HMRC website, HMRC Enquiry Centre and booklets or leaflets from HMRC were rarely referred to by recipients.

Of those who renewed their award, 33 per cent reported that they did it within one week of receiving their renewal pack and 30 per cent renewed between one and two weeks of receipt of their renewal pack. Eighteen per cent renewed between three and four weeks and the remaining 19 per cent took one month or longer to renew their award.

The time taken for recipients to renew their tax credits claim was related to recipients' income. Fourteen per cent of recipients in families earning £5,200 to £10,399 a year revealed that it had taken them more than a month to renew. For those earning more than £41,600 a year, the proportion was more than ten percentage points higher (26 per cent).

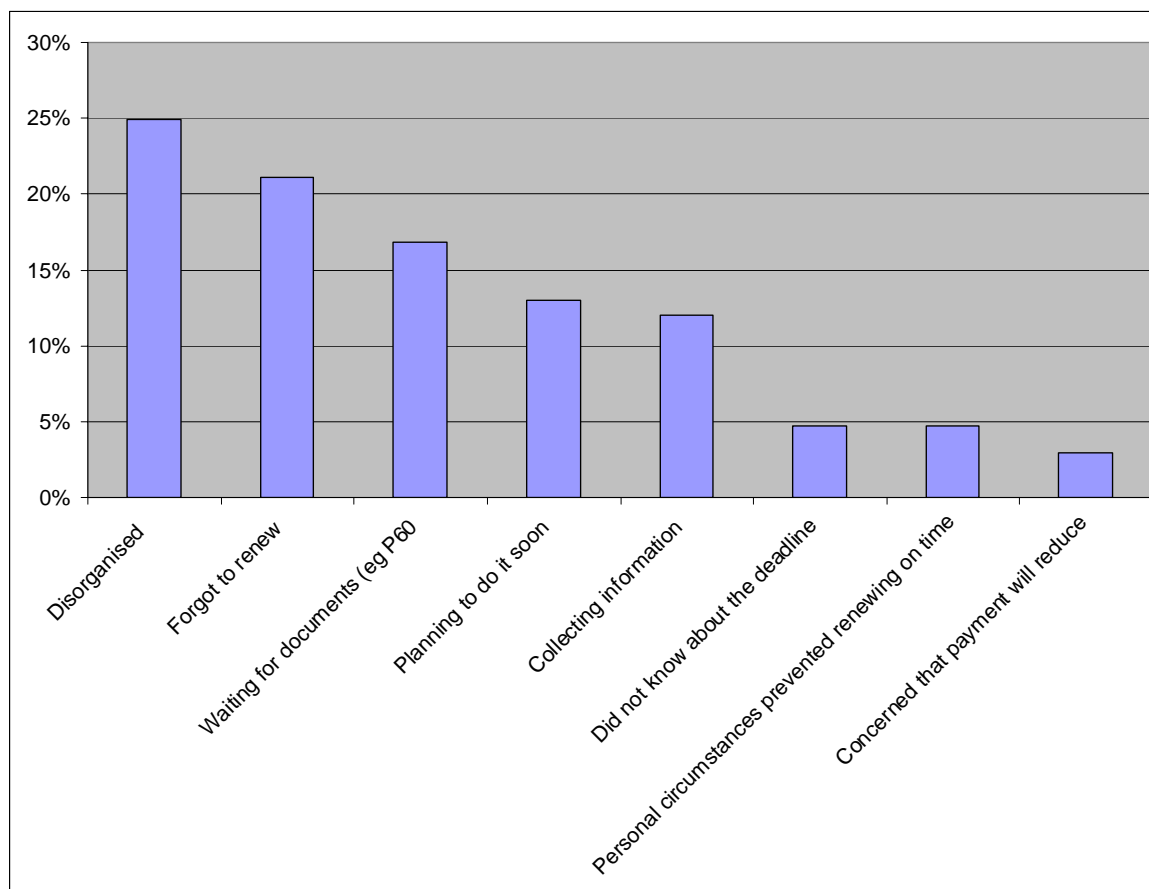
Since renewal packs are sent out in stages during the renewals period, information on the length of time taken to renew alone does not indicate whether it happened before or after the deadline of 31 July. In their answer to a separate question, five per cent of recipients indicated that they renewed after the deadline.³

Recipients were also asked why they renewed late and Figure 1.3 shows that the late renewals were mostly related to a lack of organisational skills. A quarter of recipients said that they renewed after the deadline because they were disorganised, 21 per cent revealed that they forgot to renew and 13 per cent said that they were planning to renew soon.

A notable minority renewed after the deadline because they did not have the information they needed; 17 per cent said that they were waiting for documents that they needed, such as the P60 and 12 per cent said that they had not collected all the information needed to renew their claim. Ignorance of the deadline for renewal (five per cent), concerns about the impact of renewals on the following year's award (three per cent) or personal circumstances were relatively less prominent reasons (five per cent). None of the recipients said that they renewed late because they thought they did not have to because they were paying back an overpayment, because their award was £0 or because they had a low award.

The findings above are consistent with findings from qualitative research (Turley and Thomas, 2008) which suggested that 'the main impetus for recipients renewing their tax credits claim on time was a preference for having household finances in order and dealing with such issues 'as they come'. In addition, Turley and Thomas (2008) reported that timeliness of renewal was 'tied in with the degree of financial importance placed on tax credits receipt'. They found that tax credits recipients who described themselves as very reliant on tax credits were more likely to renew on time as they were concerned that if they renewed late they may receive an overpayment or lose their entitlement to tax credits. In contrast, Turley and Thomas' evidence suggested that recipients who were less reliant on tax credits were less likely to renew before the deadline as they did not have the same concerns about overpayments or losing their entitlement.

³ It should be noted that these results are based on tax credits recipients' own recollection of when they renewed the award, which can be different from the corresponding information recorded in the tax credits administrative system.

Figure 1.3: Reasons for late renewals

Base: Tax credits recipients in receipt of tax credits in 2007-08 and renewed after deadline

2.1.3 Recipients' knowledge about the deadline for renewals and the consequences for renewing after the deadline

The deadline for renewing tax credits claims is 31 July. The deadline is prominently featured on the declaration form. Additionally, HMRC runs a media campaign that includes advertisements on television and radio to make sure that people know this date and renew on time. Eighty-one per cent of tax credits recipients were aware of the deadline. The 19 per cent of recipients who did not know about the deadline were more likely to say that they renewed after 31 July (8 per cent compared with 4 per cent among other recipients).

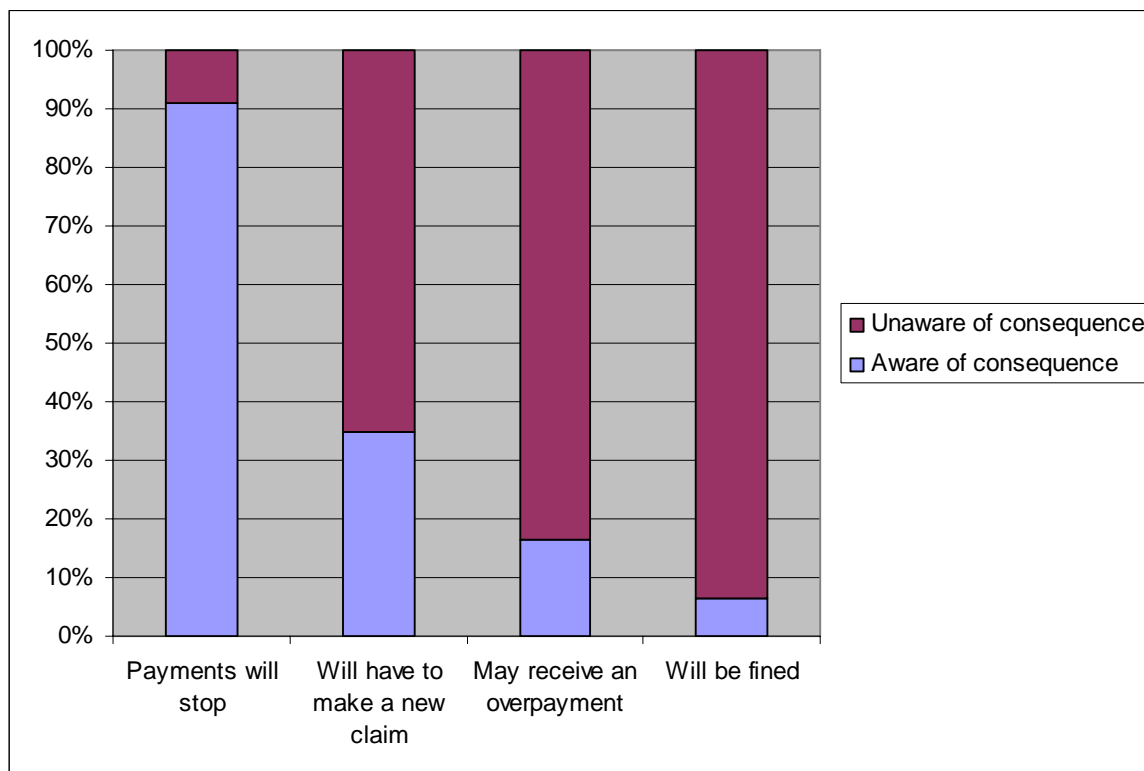
Tax credits payments continue if the award is renewed within the 30 days after the deadline and the recipient is still entitled to an award. However, if a person wishes to renew after 30 days, they will have to either prove good cause for the late renewal and if that is not accepted, they will have to make a new application for tax credits. Payments that are made from April until renewals are based on the information from the previous year. If this has changed, the payments that are made can be wrong. Thus the later the tax credits are renewed, the longer the award is likely to be based on out-of-date information so there would be a greater risk of over- or underpayments. If tax credits are

not renewed by the deadline, the claim will be terminated and all payments made before the deadline are regarded as overpayment and will be recovered. In addition, HMRC can also impose a fine on recipients who renew late.

All the information above was included in the renewal documents HMRC sent to recipients in 2008. Additionally, HMRC also ran a national advertisement campaign in July 2008 which mentioned that payments would stop if recipients did not renew on time.

The 2009 Panel Study asked recipients, unprompted, ‘what, if anything, would happen if tax credits are not renewed on time?’ Figure 1.1 shows that the majority of recipients were aware that payments would stop if they renewed late (91 per cent). A smaller percentage thought that they might need to make a new claim (35 per cent) and even fewer (16 per cent) that late renewing could lead to overpayment. Only six per cent believed that they would be fined. A small minority (two per cent) believed that nothing would happen if they renewed late.

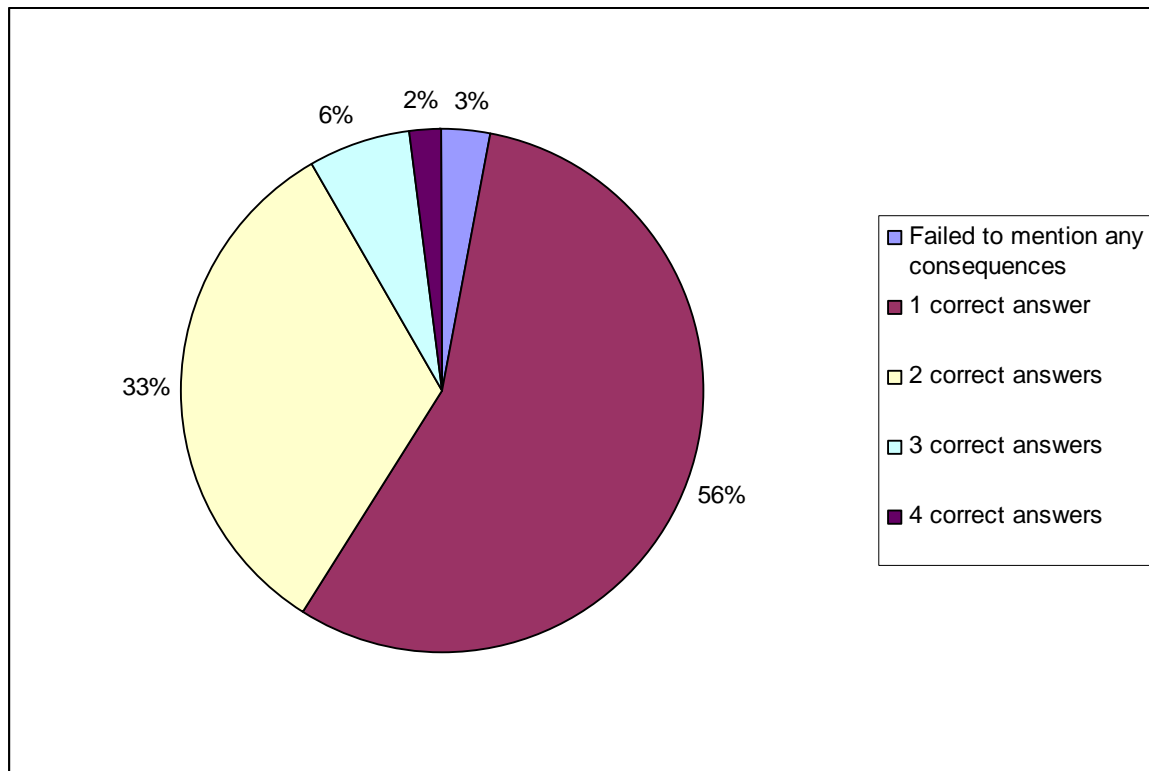
Figure 1.1: Awareness of consequences of late renewing



Base: Tax credits recipients in receipt of tax credits in 2007-08 and went through renewals process in 2008

A summary measure was derived to reflect the overall knowledge of the consequences of late renewal. This measure ranged from zero for those who did not mention any of the four consequences presented in Figure 1.1 to four for those who mentioned all four consequences. Only a small proportion of tax credits recipients (three per cent) were unable to mention any of the consequences. The majority (56 per cent) could name only one. Thirty-three per cent could name two consequences and six per cent mentioned three. Knowledge of all the consequences was rare (two per cent).

Figure 1.2: Knowledge scores



Base: Tax credits recipients in receipt of tax credits in 2007-08 and went through renewals process in 2008

Knowledge of consequences of late renewing was not related to the timeliness of renewing. These findings, together with the findings presented earlier on the reasons recipients renewed late, the link between timeliness of renewals and income, and findings from qualitative research, suggest that those who renewed early were motivated by reasons other than a wish to avoid the consequences of late renewal.

2.2 Differences in recipients' journey through the 2008 renewals process

Recipients' experience of and behaviour during renewals, and their knowledge of the process were not uniform across all groups of recipients. They varied according to how long the recipient had been claiming tax credits, general abilities such as whether the recipient usually needed help in understanding official forms, the recipient's financial capabilities, and personal and family characteristics, for example, whether or not the recipient or his/her partner was self-employed, had a limiting long-standing illness or whether the recipient was from a Black, Asian or Ethnic Minority Group.

2.2.1 Differences in renewals journey by how long the recipient had been claiming tax credits

The length of time a recipient had been receiving tax credits was related to various aspects of his/her tax credits renewals journey.

- Recipients who had been claiming tax credits for more than five years were more likely than those who had been claiming for one year or less to say that they found the renewals process easy (85 per cent compared with 77 per cent).
- Those who had been receiving tax credits for more than five years were the most likely to say that they felt confident about what to do at renewals. Ninety-two per cent reported that felt confident compared with 87 per cent of those who had been claiming for less than one year.
- People who had been claiming for more than five years were more likely to be aware of the deadline than those claiming for one year or less (83 per cent compared with 78 per cent).

These findings suggest that recipients' experience of the renewals process seemed to improve as they progress through their tax credits journey. They also seemed to learn and became more knowledgeable as well as confident about renewals process.

The increased knowledge and confidence have not brought on a greater urgency in renewing. Longer-term recipients were more likely to put off renewing compared with newer recipients. A quarter of those who had been claiming for four years or more reported that they took over one month to renew their tax credits, this compares to about eleven per cent of those who had been claiming for one year or less. Thirty-two per cent of those who had been claiming for more than five years renewed within one week compared with 42 per cent of those who had been claiming for one year or less.

In addition, recipients who had been claiming tax credits for more than five years were just as likely to use the guidance notes as those claiming for one year or less (about half of both groups used the notes). Recipients who had been receiving tax credits for between two and three years were most likely to have used the guidance notes; nearly two-thirds of recipients in this group used the guidance. It is not clear whether the observation that longer-term recipients were less likely to use the guidance notes was the result of an increase in confidence and knowledge or not.

2.2.2 Differences in renewals journey by the general ability to understand official forms

Recipients have to check and complete a number of forms when they renew their tax credits. Compared with other recipients, those who tended to agree with the statement 'I often need help understanding official forms' were more likely to report that:

- They found it difficult to renew their tax credits (12 per cent compared with between five per cent who disagreed with the statement and seven per cent of recipients who had a neutral view).
- They did not feel confident about what to do at renewals (17 per cent compared with between five and ten per cent of other recipients).
- They had problems with the renewals documents than those who tended to disagree with the statement (14 per cent compared with four per cent).
- They found the guidance notes difficult to understand (18 per cent compared with eight per cent who tended to disagree with the statement).

Recipients who tended to agree with the statement 'I often need help understanding official forms' were also more likely to take actions such as seeking help with renewals (29 per cent compared with between 14 and 21 per cent for other recipients) and to call the Tax credits Helpline to get help and advice.

2.2.3 Differences in renewals journey by recipients' financial capability

The consultation document 'Financial Capability: the Government's Long-Term Approach' (HM Treasury, 2007) defines consumers' financial capability as 'the knowledge, skills and motivation to manage their finances'. In the study, different aspects of financial capability were measured by asking recipients if they agreed or disagreed with the statements below:

- 'I actively plan my finances';
- 'I try to keep myself up to date with tax issues that might affect me';
- 'I am uncomfortable dealing with tax';
- 'I am very confident in dealing with my finances'.

An overarching financial capability score was calculated for each recipient using their responses to the statements above. Recipients were then classified into one of three groups (those with high, medium or low financial capability score). Appendix A has a more detailed description of the calculation of the financial capability scores.

Recipients with low financial capability scores had distinctive features in their renewals journey. Compared with recipients with high or medium scores, those with low financial capability scores were less likely to say that they:

- had found the renewals process easy (80 per cent compared with 85 per cent for those with a high or medium score);

- were aware of the deadline than those with high scores (77 per cent compared with 85 per cent); and
- had renewed within one week of getting their renewals pack than those with high scores (27 per cent compared with 36 per cent).

In contrast, recipients with low financial capability scores were more likely to reveal that they:

- did not feel confident about what to do at renewals (13 per cent compared with six per cent among those with a high score);
- had problems with the renewal documents (ten per cent compared with six per cent for those with a high or medium financial capability score); and
- had missed the renewal deadline than recipients in the other financial capability groups (nine per cent compared with between three and four per cent for other recipients).

The last finding seems to indicate that those who said that they had issues managing their finances in general tended to say that they renewed late. This is consistent with evidence from qualitative research which found that recipients who renewed late often adopted a disorganised approach to financial matters and had a tendency to 'put things off' (Turley & Thomas, 2008).

2.2.4 The renewals journey of families with at least one self-employed adult

A concern was that recipients who were self-employed were more likely to find renewals more challenging. This is because income from self employment is often more variable and can be harder to work out. In addition, recipients need to send HMRC information on their income from the tax year that has just passed to renew their award but some self-employed recipients do not yet have that information.⁴

There is evidence in the findings that the self-employed or recipients who had a self-employed partner tended to find renewals more challenging compared with other recipients.

- Three quarters of families (76 per cent) where the main recipient or partner was self-employed considered the renewals process easy compared with 84 per cent for all other families.
- These recipients also tended to take longer to renew their award. Only 22 per cent renewed within a week of getting their renewal pack compared with 35 per cent among all other recipients. Twenty-nine per cent of self-employed people took one month or more to renew compared with 17 per cent of those who were not self-employed or not working.

In addition, recipients who were self-employed or who had a partner who was self-employed were more likely to say that they had sought help or advice with the renewal

⁴ Self-employed recipients who do not yet have information on their income from the year that has just passed are expected to provide an estimate of their income by 31 July and to provide the actual income by 31 January of the following year (in line with the Self Assessment deadline).

process in 2008 (25 per cent compared with 19 per cent among all other families). Fifty-nine per cent of recipients who were self-employed or had a partner who was self-employed used the Tax credits Helpline to get help and advice about renewals.

2.2.5 The renewals journey of families with at least one adult who had a limiting long-standing illness or disability

Recipients who had a limiting long-standing illness/disability or whose partner had a limiting long-standing illness were less likely to say that they felt confident about what to do during renewals. Fourteen per cent of recipients in this group said that they did not feel confident compared with nine per cent among other recipients.

Recipients living in families where they or their partner had a limiting illness or disability were more likely than other families to report that they found the guidance note difficult to understand (18 per cent compared with 11 per cent).

In addition, this group were more likely than other recipients to say that they sought help with renewals (27 per cent compared with 18 per cent).

2.2.6 The renewals journey of recipients from Black, Asian and Minority Ethnic Groups

Recipients from Black, Asian and Minority Ethnic Groups generally had similar experiences of the 2008 renewals process as other recipients except for two aspects.

- They were more likely to use the guidance notes than other recipients (68 per cent compared with 55 per cent).
- They were not as knowledgeable about what would happen if recipients renewed their award after the deadline. Compared with other recipients, they more likely to fail to mention any the four consequences of late renewals discussed in section 2.1.3 (6 per cent compared with 3 per cent).

2.2.7 Recipients who had difficulties reading or writing English

The 2009 Panel Study included questions to gauge the proficiency in English of all recipients irrespective of whether English is their first or second language. All recipients were first asked whether they could read English newspapers/magazines and then asked if they could write a letter/email in English.

Recipients who said that they could not read English newspapers/magazines or who could not write a letter/email in English were more likely than other recipients to say that they did not feel confident about what to do at renewals (20 per cent compared with 8 per cent). There were no other significant differences in the renewals journey between these recipients and those who said that they could read and write English so it is not clear what factors drive the perceived lack of confidence.

2.3 Recipients' views about changes to the renewals process

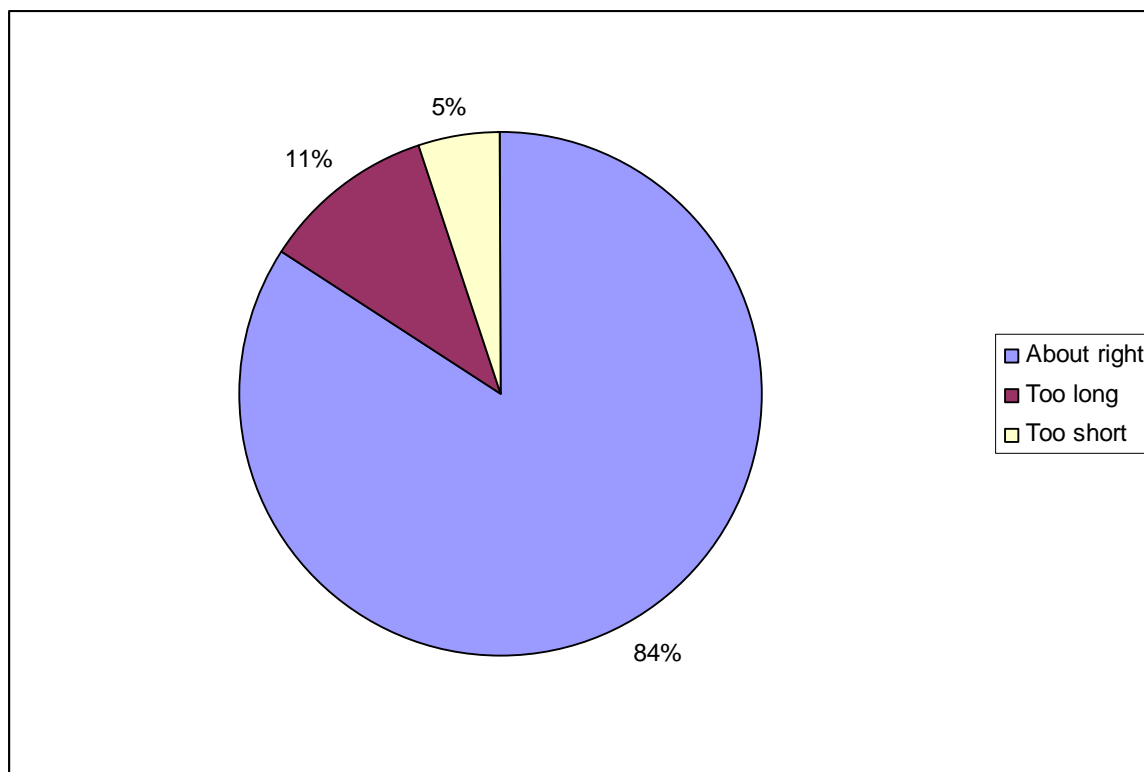
In addition to asking about recipients' experience of the renewals process, the 2009 Panel Study also asked recipients for their views on the deadline for renewals and invited them to tell us about the changes to the renewal process that they would like HMRC to make.

2.3.1 Did recipients think renewals deadline should be changed?

The deadline for renewing tax credits is 31st July which gives most recipients between three and four months to renew their award. Recipients were asked whether this deadline was too long, too short or about right.

Figure 1.4 shows that the majority of recipients (85 per cent) found the deadline to be about right, 11 per cent reported that the deadline was too long and five per cent too short.

Figure 1.4: Opinion of renewals deadline



Base: Tax credits recipients in receipt of tax credits in 2007-08 and went through renewals process in 2008

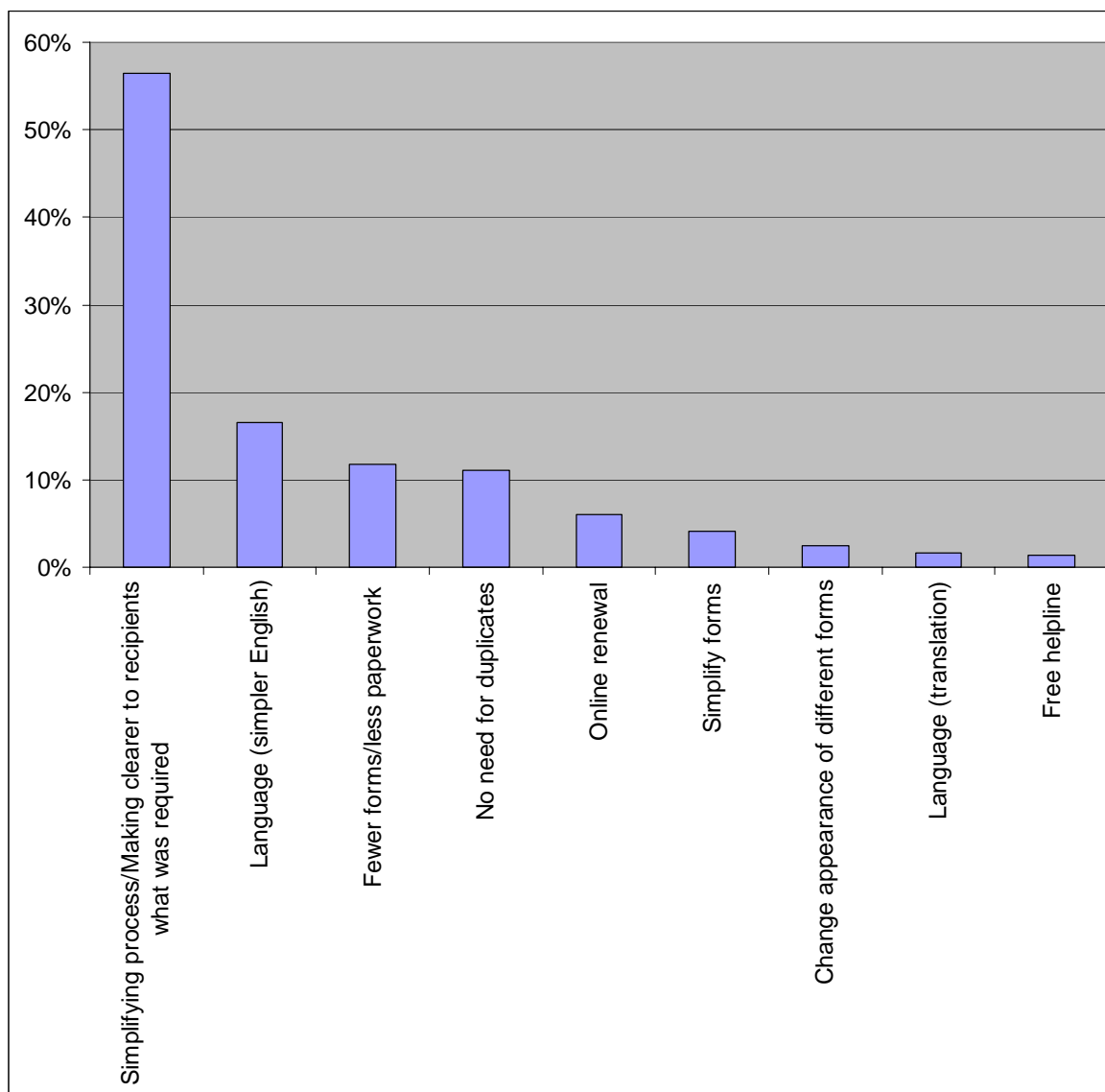
Whether tax credits recipients considered the renewal period too long or short was associated with the length of time they took to renew their award. Recipients who reported that they waited one month or longer to renew were most likely to feel that the renewal period was too long (16 per cent compared with between eight per cent who renew within 3-4 weeks and 11 per cent among recipients who renew within 1-2 weeks).

2.3.2 Did recipients think the renewals process needed to be changed?

Twenty-four per cent of recipients would like HMRC to make changes to the renewals process. Certain groups were more likely to want changes to the renewals process.

- Those that had difficulty understanding official forms were more likely to say that changes were required to the renewals process (26 per cent compared with 22 per cent).
- People that took one month or longer to renew were more likely to report that changes were required to the renewals process than recipients that renewed in less than one week (30 per cent compared with 18 per cent).
- The type of tax credits received was related to whether recipients wanted changes made to the renewals process. Over a quarter (26 per cent) of Child Tax Credit only recipients thought that changes were required, which is twice as much as Working Tax Credit only recipients (13 per cent). Eighteen per cent of recipients receiving both Child Tax Credit and Working Tax Credit thought that changes were required.

Figure 1.5: Changes to renewals process



Base: Tax credits recipients in receipt of tax credits in 2007-08 and went through renewals process in 2008

- Figure 1.5 shows that the majority of the suggestions related to simplifying the process overall and making it clearer to recipients what was required of them during the renewals process.

2.4 Reporting changes of circumstances during renewals

Tax credits recipients are required to report changes in their personal circumstances throughout the year. If personal circumstances change it is possible that the tax credits award will change. If HMRC are not informed about a change straightaway they may not be made aware of it until the award is renewed (usually April to July of the following year). This may result in an overpayment or underpayment for the recipient.

The 2009 Panel Study asked recipients whether they experienced any changes of circumstances in the last twelve months and whether these were reported at renewals. Recipients were asked if they had reported any of the following changes to HMRC:

Type of change

- Moved home
- Recipient started living with a partner
- Recipient stopped living with a partner
- Recipient or partner changed job
- Recipient or partner's working hours changed
- Recipient or partner's income changed
- Recipient or partner started working 30 or more hours per week
- Recipient or partner developed a long-standing illness or disability
- Recipient or partner left the United Kingdom for more than eight weeks
- Recipient or partner had a baby
- Childcare costs changed
- A child moved out
- A child left full-time education
- A child over 16 continued in full-time education
- A child started claiming Tax Credits themselves
- A child developed a long-standing illness or disability

All recipients are required to report these changes regardless of the type of tax credits they are receiving.⁵

The following section examines the changes of circumstances reported at renewals. In particular it addresses the following questions:

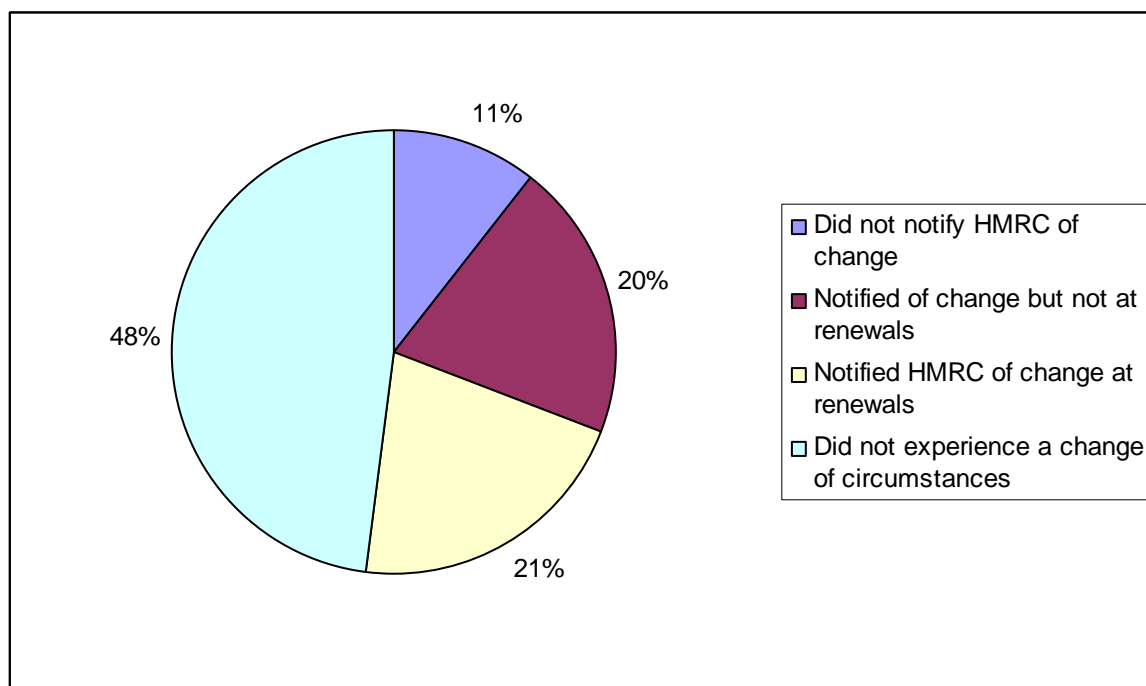
- How common was reporting changes of circumstances at renewals?
- How long did it take recipients to report changes of circumstances at renewals?

2.4.1 How common was reporting changes of circumstances at renewals?

Figure 1.6 shows that 21 per cent of all recipients had had one or more of the changes of circumstances covered on the 2009 Panel Study and said that they had reported it/them to HMRC at renewals. Another 20 per cent had had one or more the changes and mentioned that they had reported it/them at another time during the year. 11 per cent did not report the change at all and 48 per cent did not experience a change of circumstances in the twelve months before the interview.

⁵ The Panel Study did not ask about all of the changes of circumstances that recipients are required to report to HMRC.

Figure 1.6: Notified HMRC of changes



Base: Tax credits recipients in receipt of tax credits in 2007-08 and went through renewals process in 2008

Those with higher incomes were more likely to leave reporting until renewals. Twenty-two per cent of those with an income of £41,600 per annum reported a change at renewals compared with 19 per cent of those with an income of £5,200 to £10,399 per annum.

Recipients were more likely to report certain types of changes of circumstances at renewals than at other times throughout the year. The changes most commonly reported at renewals were a child continued in full-time education (56 per cent) and a recipient or their partner's income changed (54 per cent).

2.4.2 How long did it take recipients to report changes of circumstances at renewals?

Recipients who reported a change at renewals were more likely to take one month or more to do so than those who reported at other times throughout the year (18 per cent compared with ten per cent).

The delays in reporting were due to a range of diverse reasons. Some recipients (23 per cent) said that they delayed reporting until renewals because it took them a while to get round to it. Others (18 per cent), reported that they delayed reporting because it would not affect the amount of tax credits award or that they did not think about reporting the change when it occurred (15 per cent) but for 38 per cent of recipients, the delays were due to a reasons that were too diverse to categorise.

3 Conclusions

This report provided an overview of tax credits recipients' renewals experience. In general, most recipients found the process easy and renewed on time. But about one in ten said that they found the system hard to negotiate and around 1 in 5 took one month or more to renew their award.

People reporting comparatively fewer problems with renewals were those who:

- had been claiming tax credits for longer,
- were better organised in financial matters, and
- were employees or not in work (as opposed to the self-employed).

The main problems that recipients reported were the complexity and length of various forms. Guidance notes that should help people in understanding the forms were used by just over half of the tax credits recipients and less so by groups that could have benefited the most, that is, those newer to the tax credits system.

Tax credits recipients were fairly knowledgeable of some aspects of the renewals process, but not of others. A vast majority of recipients knew that the renewal deadline was 31 July and that payments would stop if their claim was not renewed before this. It was only a minority, however, who knew that renewals after the deadline could also lead to an overpayment.

Timeliness of renewing is an important element in reducing the risk of error or getting an overpayment in tax credits claims. The analysis revealed that those who renewed promptly (before 31 July deadline) and those who renewed after the deadline were two distinct groups.

Those who renewed promptly were more likely to have the characteristics below than those who renewed later:

- claiming tax credits for a shorter period of time,
- lower levels of income,
- a high or medium financial capability score, or
- were employees or not in work (as opposed to self-employed).

Those who reported that they renewed after the deadline were more likely to have the following characteristics than those who renewed before 31 July:

- a low financial capability score, and
- not aware of the renewal deadline.
- had difficulty understanding official forms.

The majority of tax credits recipients were happy with the current deadline for renewals. Those who tended to postpone dealing with renewing were more likely to consider the renewal period to be too long; they may be motivated to deal with the process more quickly if the renewal period was less generous.

Thinking that renewing process required changes was more common among two groups. First those who had taken longer to renew their tax credits and secondly those on higher incomes for whom tax credits might have been less important financially.

Renewals were also a time when many tax credits recipients reported changes of circumstances: one-fifth of all changes were reported at that time. Leaving reporting changes of circumstances until renewals was more common among persons with higher income. Reporting that a child was continuing in full-time education and changes in income were more likely to be reported at renewals than other changes of circumstances.

4 References

HMRC (2011). Child and Working Tax Credits Statistics Finalised Annual Awards 2009-10. <http://www.hmrc.gov.uk/stats/personal-tax-credits/cwtc-final-awards-may11.pdf>

HM Treasury (2007). Financial Capability: the Government's Long-Term Approach. URL: http://www.hm-treasury.gov.uk/d/fincap_150107.pdf (29/04/2010).

Turley, C & Thomas, A (2008). Claimants' understanding and experiences of the tax credits renewal process. HM Revenue & Customs Research Report, 52. URL <http://www.hmrc.gov.uk/research/report-52-final.pdf> (14/05/2010).

Appendix A Research strategy

Analysis methods

Many of the characteristics that are analysed in this report are related to each other as well as to the outcome that is considered. This means that a statistically significant relationship between two variables could in fact be affected by a third variable. For example, it might be observed that younger people report more problems with the renewals process. However, if they are also more likely to have started receiving tax recently, then the relationship between age and problems may in fact be related to the length of receipt and lack of experience with the system rather than age.

These kinds of problems can be avoided if all variables that are likely to have an effect on an outcome are controlled for together. In the example above this would mean investigating whether young people who have recently started receiving tax credits are equally likely to report problems as older people who have recently started receiving tax credits. This can be done by using statistical modelling techniques. The modelling techniques that we used in the analysis were logistic regression modelling and general linear modelling. Logistic regression was used when the outcome variable has only a few possible values and general linear model was used when the outcome variable has many possible values that can be ordered. The statistical models developed in the analysis are presented in Appendix C and statistically significant relationships identified by the models are discussed in the commentary.

All results presented in the report are based on weighted data. Weighting helps to correct for different probabilities of selecting people for the study. Please see the technical report of the 2009 Panel Study for a more detailed discussion on weighting scheme used in the study.

Measuring financial capability

The consultation document 'Financial Capability: the Government's Long-Term Approach' (HM Treasury, 2007) defines consumers' financial capability as 'the knowledge, skills and motivation to manage their finances'. In the study different aspects of financial capability were measured using four agree/disagree statements. These were:

- a) 'I actively plan my finances';
- b) 'I try to keep myself up to date with tax issues that might affect me';
- c) 'I am uncomfortable dealing with tax';
- d) 'I am very confident in dealing with my finances'.

An overarching variable was derived by taking the responses to these questions and using cluster analysis to identify homogeneous sub-groups. Cluster analysis is a statistical technique that involves comparing recipients on specific values and assigning them to groups based on similarity. In this analysis a type of cluster analysis called k-means clustering was used. Solutions involving three, four and five clusters were considered. Of

these, the three-cluster solution was the most meaningful and was used in the analysis. The three clusters were – high financial capability scores, low financial capability scores and mid financial capability scores.

Appendix B Tables

Guide to methods used in tables and figures cited in the text

The information presented in this report uses data from the Panel Study that has been statistically weighted to take account of the technical issues such as sample design. The majority of tables report on questions with mutually exclusive response, for example the number of actions recipients reported taking when handling a particular tax credits transaction. In these tables the percentages will generally sum to 100, however there may be some instances where percentages will not sum to exactly 100 per cent because of rounding.

Where the question allowed multiple responses, (i.e. the tax credits recipient could choose a number of responses rather than just one) the percentages will not sum to 100.

The tables use the following notations:

Base The weighted count is the base presented in all tables.

0 Percentage value is greater than 0, but less than 0.5, which is rounded down.

* Figures are based on less than 25 cases and are not robust, therefore results not presented in this report.

- A per cent figure is expected indicates that there were no responses in the category.

Statistical significance was tested using logistic regression for complex samples. Unless stated otherwise, all the differences cited in the text or presented in the charts are statistically significant at the 0.05 level.

Appendix C Tables

Awareness of consequences of late renewals

	%	Weighted base
Payments will stop	91	2326
Will have to make a new claim	35	888
May receive an overpayment	16	416
Payments will be reduced	8	193
Will be fined	6	161
None of these	2	57

Base: Tax credits recipients in receipt of tax credits in 2007-08

Note that percentages do not sum to 100 as recipients could give more than one answer to this question

Type of help with renewals sought

	%	Weighted base
Tax Credits helpline	75%	449
Friends or relatives	12%	70
Independent advisor	6%	38
HMRC Enquiry Centre/Local Tax Office	4%	26

Base: Tax credits recipients in receipt of tax credits in 2007-08 and sought help with renewals process

Note that percentages do not sum to 100 as recipients could give more than one answer to this question

Type of problems with renewals documents experienced by recipients

	%	Weighted base
Instructions on how to renew unclear	31%	69
Annual review form too complicated	40%	90
Annual declaration form too complicated	25%	55
Finding time to read and complete	14%	31
The guidance notes were too long	16%	36
The guidance notes were too complicated	25%	57
Have not kept the information needed to renew	5%	11
Too complicated (form not specified)	2%	4
Too long (form not specified)	1%	2
Language problems	5%	11
Other problem	30%	68

Base: Tax credits recipients in receipt of tax credits in 2007-08 and experienced problems with renewals documents

Note that percentages do not sum to 100 as recipients could give more than one answer to this question

Type of problems with renewals documents experienced by recipients

	%	Weighted base
Instructions on how to renew unclear	2%	69
Annual review form too complicated	3%	90
Annual declaration form too complicated	2%	55
Finding time to read and complete	1%	31
The guidance notes were too long	1%	36
The guidance notes were too complicated	2%	57
Have not kept the information needed to renew	<1%	11
Too complicated (form not specified)	<1%	4
Too long (form not specified)	<1%	2
Language problems	<1%	11
Other problem	2%	68

Base: Tax credits recipients in receipt of tax credits in 2007-08

Note that percentages do not sum to 100 as recipients could give more than one answer to this question

Timeliness of renewing by household income

	Up to £5,199	£5,200- £10,399	£10,400- £25,999	£26,000- £41,599	£41,600 or more	All
	%	%	%	%	%	%
Less than 1 week	*	41	36	27	32	33
1-2 weeks	*	33	28	32	22	30
3-4 weeks	*	12	21	18	20	18
1 month or more	*	14	16	23	26	19
Total	*	100	100	100	100	100
Weighted base	*	330	1112	618	333	2670

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

Renewal after deadline by awareness of deadline

	Aware of deadline	Unaware of deadline	All
	%	%	%
Renewed on time	96	4	95
Renewed late	92	8	5
Total	100	100	100
Weighted base	2210	492	2709

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

Reasons for renewing after deadline

	%	Weighted base
Disorganised	25%	33
Forgot to renew	21%	28
Waiting for documents (e.g. P60	17%	22
Planning to do it soon	13%	17
Collecting information	12%	16
Did not know about the deadline	5%	6
Personal circumstances prevented renewing on time	5%	6
Concerned that payment will reduce	3%	4

Base: Tax credits recipients in receipt of tax credits in 2007-08 and renewed after deadline

Differences in renewals journey by length of tax credits receipt

Ease of renewals by length of tax credits receipt

	1 year or less	2-3 years	4-5 years	More than 5 years	All ⁶
	%	%	%	%	%
Easy	77	82	82	85	83
Neither easy or difficult	12	7	11	9	9
Difficult	11	11	7	7	8
Total	100	100	100	100	100
Weighted base	270	231	574	1621	2776

Base: Tax credits recipients in receipt of tax credits in 2007-08 and went through renewals process in 2008

Confidence about renewals by length of tax credits receipt

	1 year or less	2-3 years	4-5 years	More than 5 years	All	
	%	%	%	%	%	
Yes		87	85	89	92	90
No		13	15	11	8	10
Total		100	100	100	100	100
Weighted base		272	231	574	1622	2790

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

Awareness of deadline by length of tax credits receipt

	1 year or less	2-3 years	4-5 years	More than 5 years	All
	%	%	%	%	%
Yes	78	81	80	83	81
No	22	19	20	17	19
Total	100	100	100	100	100
Weighted base	425	353	548	1418	2782

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

⁶ In all tables 'All' includes recipients who did not provide information about one or more recipient characteristics.

Timeliness of renewing by length of tax credits receipt

	1 year or less	2-3 years	4-5 years	More than 5 years	All	
	%	%	%	%	%	%
Less than 1 week	42	37	33	32	32	33
1-2 weeks	34	35	28	28	28	30
3-4 weeks	13	18	19	19	19	18
1 month or more	11	9	20	21	21	19
Total	100	100	100	100	100	100
Weighted base	262	218	558	1559	1559	2670

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

Guidance notes usage by length of receipt

	1 year or less	2-3 years	4-5 years	More than 5 years	All	
	%	%	%	%	%	%
Yes	52	65	55	57	57	57
No	48	35	45	43	43	43
Total	100	100	100	100	100	100
Weighted base	299	250	615	1758	1758	3017

Base: Tax credits recipients in receipt of tax credits in 2007-08 and went through renewals process in 2008

Differences in renewals journey by ability to understand official forms

Ease of renewals by agreement with statement 'I often need help understanding official forms'

	Tend to agree	Tend to have neutral views	Tend to disagree	All	
	%	%	%	%	%
Easy	76	81	88	83	83
Neither easy or difficult	12	12	7	9	9
Difficult	12	7	5	8	8
Total	100	100	100	100	100
Weighted base	687	718	1314	2776	2776

Base: Tax credits recipients in receipt of tax credits in 2007-08 and went through renewals process in 2008

Confidence about renewals by agreement with statement 'I often need help understanding official forms'

	Tend to agree	Tend to have neutral views	Tend to disagree	All
	%	%	%	%
Yes	83	90	95	90
No	17	10	5	10
Total	100	100	100	100
Weighted base	687	719	1316	2790

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

Experienced problems with renewals documents by agreement with statement 'I often need help understanding official forms'

	Tend to agree	Tend to have neutral views	Tend to disagree	All
	%	%	%	%
Yes	14	7	4	7
No	86	93	96	93
Total	100	100	100	100
Weighted base	750	792	1416	3018

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received annual review form.

Ease of understanding guidance notes by agreement with statement 'I often need help understanding official forms'

	Tend to agree	Tend to have neutral views	Tend to disagree	All
	%	%	%	%
Easy	62	63	78	70
Neither easy or difficult	19	24	14	18
Difficult	18	13	8	12
Total	100	100	100	100
Weighted base	422	441	816	1794

Base: Tax credits recipients in receipt of tax credits in 2007-08 and used guidance notes

Sought help or advice by agreement with statement 'I often need help understanding official forms'

	Tend to agree	Tend to have neutral views	Tend to disagree	All
	%	%	%	%
Yes	29	21	14	20
No	71	79	86	80
Total	100	100	100	100
Weighted base	687	719	1316	2780

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

Sought help from tax credits helpline by agreement with statement 'I often need help understanding official forms'

	Tend to agree	Tend to have neutral views	Tend to disagree	All
	%	%	%	%
Yes	68	84	78	75
No	32	16	22	25
Total	100	100	100	100
Weighted base	197	153	185	555

Base: Tax credits recipients in receipt of tax credits in 2007-08 and sought help with renewals process

Differences in renewals journey by financial capability score

Ease of renewals by financial capability score

	High score	Mid score	Low score	All
	%	%	%	%
Easy	85	85	80	83
Neither easy or difficult	8	8	11	9
Difficult	6	8	8	8
Total	100	100	100	100
Weighted base	1395	479	634	2776

Base: Tax credits recipients in receipt of tax credits in 2007-08 and went through renewals process in 2008

Awareness of deadline by financial capability score

	High score	Mid score	Low score	All
	%	%	%	%
Yes	85	79	77	81
No	15	21	23	19
Total	100	100	100	100
Weighted base	1395	481	639	2782

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

Timeliness of renewing by financial capability score

	High score	Mid score	Low score	All
	%	%	%	%
Less than 1 week	36	37	27	33
1-2 weeks	30	25	30	30
3-4 weeks	16	19	21	18
1 month or more	18	19	22	19
Total	100	100	100	100
Weighted base	1347	457	612	2670

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

Confidence about renewals by financial capability score

	High score	Mid score	Low score	All
	%	%	%	%
Yes	94	89	87	90
No	6	11	13	10
Total	100	100	100	100
Weighted base	1397	479	634	2790

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

Experienced problems with renewals documents by financial capability score

	High score	Mid score	Low score	All
	%	%	%	%
Yes	6	6	10	7
No	94	94	90	93
Total	100	100	100	100
Weighted base	1505	542	684	3018

Base: Tax credits recipients in receipt of tax credits in 2007-08 and went through renewals process in 2008

Renewed late by financial capability score

	High score	Mid score	Low score	All
	%	%	%	%
Renewed on time	96	97	91	95
Renewed late	4	3	9	5
Total	100	100	100	100
Weighted base	1355	462	627	2709

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

Differences in renewals journey by self-employment status

Ease of renewals by self-employment status

	Self-employed	Not self-employed	All
	%	%	%
Easy	76	84	83
Neither easy or difficult	14	9	9
Difficult	10	7	8
Total	100	100	100
Weighted base	405	2360	2776

Base: Tax credits recipients in receipt of tax credits in 2007-08 and went through renewals process in 2008

Timeliness of renewing by self-employment status

	Self-employed	Not self-employed	All
	%	%	%
Less than 1 week	22	35	33
1-2 weeks	28	30	30
3-4 weeks	21	18	18
1 month or more	29	17	19
Total	100	100	100
Weighted base	375	2285	2670

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

Sought help or advice by self-employment status

	Self-employed	Not self-employed	All
	%	%	%
Yes	25	19	20
No	75	81	80
Total	100	100	100
Weighted base	405	2364	2780

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

Sought help from tax credits helpline by self-employment status

	Self- employed	Not self- employed	All
	%	%	%
Yes	59	79	75
No	41	21	25
Total	100	100	100
Weighted base	103	450	555

Base: Tax credits recipients in receipt of tax credits in 2007-08 and sought help with renewals

Differences in renewals journey by disability status

Confidence about renewals by main recipient or partner has longstanding illness or disability

	Longstanding illness	No longstanding illness	All
	%	%	%
Yes	86	91	90
No	14	9	10
Total	100	100	100
Weighted base	502	2277	2790

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

Ease of understanding guidance notes by longstanding illness or disability

	Longstanding illness	No longstanding illness	All
	%	%	%
Easy	60	72	70
Neither easy or difficult	22	17	18
Difficult	18	11	12
Total	100	100	100
Weighted base	302	1402	1794

Base: Tax credits recipients in receipt of tax credits in 2007-08 and used guidance notes

Sought help or advice by main recipient or partner has longstanding illness or disability

	Longstanding illness	No longstanding illness	All
	%	%	%
Yes	27	18	20
No	73	82	80
Total	100	100	100
Weighted base	501	2278	2780

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

The renewals journey of recipients from Black, Asian and Minority Ethnic Groups

Guidance notes usage by ethnicity

	White	Black, Asian and Minority Ethnic Groups	All
	%	%	%
Yes	55	68	57
No	45	62	43
Total	100	100	100
Weighted base	2701	304	3017

Base: Tax credits recipients in receipt of tax credits in 2007-08 and went through renewals process in 2008

Knowledge score by ethnicity

	White	Black, Asian and Minority Ethnic Groups	All
	%	%	%
Failed to mention any consequences	3	6	3
1 correct answer	55	60	56
2 correct answers	33	31	33
3 correct answers	7	2	6
4 correct answers	2	1	2
Total	100	100	100
Weighted base	2404	272	2685

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

The renewals journey of Recipients who had difficulties reading or writing English

Confidence about renewals by literacy level⁷

	Can read and write in English	Cannot read or write in English	All
	%	%	%
Yes	92	80	90
No	8	20	10
Total	100	100	100
Weighted base	2394	264	2790

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

Recipients views about changes to the renewals process

Opinion of deadline by timeliness of renewing

	Less than 1 week	1-2 weeks	3-4 weeks	1 month or more	All
	%	%	%	%	%
Too long	10	11	8	16	11
Too short	4	5	3	7	5
About right	87	85	89	77	85
Total	100	100	100	100	100
Weighted base	884	783	486	496	2490

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

Opinion of renewals deadline by renewal after deadline

	Renewed on time	Renewed late	All
	%	%	%
Too long	10	18	11
Too short	4	15	5
About right	85	67	85
Total	100	100	100
Weighted base	2576	133	3373

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

⁷ Recipient could not read or write in English if they were unable to read English newspapers/magazines or write a letter/email in English

Changes to renewals process required by agreement with statement 'I often need help understanding official forms'

	Tend to agree	Tend to have neutral views	Tend to disagree	All
	%	%	%	%
Yes	26	26	22	24
No	74	74	78	76
Total	100	100	100	100
Weighted base	750	789	1419	3213

Base: Tax credits recipients in receipt of tax credits in 2007-08 and received declaration form

Changes to renewals process required by timeliness of renewing

	Less than 1 week	1-2 weeks	3-4 weeks	1 month or more	All
	%	%	%	%	%
Yes	18	23	23	30	24
No	82	77	77	70	76
Total	100	100	100	100	100
Weighted base	892	788	490	497	3213

Base: Tax credits recipients in receipt of tax credits in 2007-08 and went through renewals process in 2008

Changes to renewals process required by type of tax credits received

	WTC and CTC	CTC only	WTC only	All
	%	%	%	%
Yes	18	26	13	21
No	82	74	87	79
Total	100	100	100	100
Weighted base	911	1731	153	3213

Base: Tax credits recipients in receipt of tax credits in 2007-08 and went through renewals process in 2008

Types of changes to renewals process required

	%	Weighted base
Simplifying process/making clearer to respondents what was required	56	403
Language (simpler English)	17	118
Fewer forms/less paperwork	12	84
No need for duplicates	11	80
Online renewal	6	43
Simplify forms	4	29
Change appearance of different forms	3	18
Language (translation)	2	12
Free helpline	1	10

Base: Tax credits recipients in receipt of tax credits in 2007-08 and would like changes made to renewal process

When were changes of circumstances reported?

Reported changes at renewals by annual household income

	Up to £5,199	£5,200- £10,399	£10,400- £25,999	£26,000- £41,599	£41,600 or more	All
	%	%	%	%	%	%
Did not notify HMRC of change	9	6	8	14	20	11
Notified of change but not at renewals	22	23	23	20	11	20
Notified HMRC of change at renewals	15	19	24	19	22	21
Did not experience change of circumstances	54	53	45	47	47	48
Total	100	100	100	100	100	100
Weighted base	118	396	1304	791	453	3303

Base: Tax credits recipients in receipt of tax credits in 2007-08 and had change of circumstance in last 12 months

Changes of circumstances reported at renewals

	Reported change at renewals	Reported change another time	Weighted base
	%	%	
Moved home	28	72	137
Started living with a partner	41	59	44
Stopped living with a partner	28	72	74
Respondent or partner changed job	47	53	257
Respondent or partner working hours changed	48	52	426
Respondent or partner income changed	54	46	619
Respondent or partner started working 30+ hours	49	51	109
Respondent or partner developed a longstanding illness	59	41	22
Respondent or partner had a baby	45	55	157
Childcare costs changed	42	58	216
A child moved out	21	79	43
A child left full-time education	49	51	100
A child over 16 continued in full-time education	56	44	257
A child started claiming tax credits themselves	0	100	1
A child developed a longstanding illness	64	36	11

Base: Tax credits recipients in receipt of tax credits in 2007-08 and had change of circumstance in last 12 months

Time before notified HMRC of change by when change of circumstance reported

	Reported change at renewals	Reported change at other time	All
	%	%	%
Less than one month	82	90	86
One month or more	18	10	14
Total	100	100	100
Weighted base	1176	1299	2440

Base: Tax credits recipients in receipt of tax credits in 2007-08 and reported change of circumstance

Reason change of circumstances was reported at renewals

	%	Weighted base
Took a while to get round to it	23	46
Would not affect amount of tax credits	18	37
Did not think about reporting change when it occurred	15	30
Other	38	76

Base: Tax credits recipients in receipt of tax credits in 2007-08 and reported change of circumstances at renewals

Logistic regression models

Table B.1 Factors predicting ease of renewals

	Parameter	B	Std. Error	Hypothesis Test		
				t	df	Sig.
	(Intercept)	.193	.818	.236	188.000	.813
Ethnic group of main respondent 2 categories	White	.455	.244	1.865	188.000	.064
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	-.138	.208	-.666	188.000	.506
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	-.531	.579	-.918	188.000	.360
	Single: Working 0-15 hrs	.307	.453	-.678	188.000	.498
	Couple: Both working over 16 hrs	.774	.552	1.401	188.000	.163
	Couple: One working over 16 hrs	.281	.492	-.571	188.000	.569
	Couple: Both working 0-15 hrs	.000	.	.	.	.
Whether self employed	Yes	.585	.220	2.657	188.000	.009
	No	.000	.	.	.	.
Main respondent income varies	Not employed	.436	.299	1.458	188.000	.146
	Income varies	.024	.199	-.118	188.000	.906
	Income does not vary	.000	.	.	.	.
Annual household income	Up to £5,199 per annum	.536	.411	1.305	188.000	.194
	£5,200 to £10,399 per annum	.426	.325	1.310	188.000	.192
	£10,400 to £25,999 per annum	.397	.280	1.415	188.000	.159
	£26,000 to £41,599 per annum	.007	.274	.025	188.000	.980
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits received	WTC & CTC	.161	.261	.615	188.000	.540
	CTC only	.238	.312	.763	188.000	.446
	WTC only	.000	.	.	.	.
Length of tax credits receipt	1 year or less	.418	.174	2.398	188.000	.017
	2-3 years	.047	.209	.227	188.000	.821
	4-5 years	.234	.191	1.225	188.000	.222
	More than 5 years	.000	.	.	.	.
Literacy level	Can read and write	.051	.232	-.218	188.000	.828
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	.362	.179	2.027	188.000	.044

	Mid score	.444	.228	1.949	188.000	.053
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	.161	.202	.799	188.000	.425
	Tend to have neutral views	.349	.193	1.810	188.000	.072
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	.821	.198	4.138	188.000	.000
	Tend to have neutral views	.244	.184	1.326	188.000	.186
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	.270	.207	1.301	188.000	.195
	Willing but needs help	.214	.187	1.144	188.000	.254
	Potential rule breakers	.114	.356	-.321	188.000	.749
	Rule breakers	.144	.404	-.358	188.000	.721
	Unaware	.000	.	.	.	.
Can tell whether got correct change at shop	Yes, easily	.103	.310	.332	188.000	.741
	With difficulty or not at all	.000	.	.	.	.

Rows with blank confidence intervals signify the reference categories.

Bold text signifies the categories within factors that are significantly different to the reference category.

Table B.2 Factors predicting confidence at renewals

	Parameter	B	Std. Error	Hypothesis Test		
				t	df	Sig.
	(Intercept)	2.942	.976	3.014	188.000	.003
Ethnic group of main respondent 2 categories	White	-.557	.314	-	188.000	.078
	Non-white	.000	.	1.773	.	.
At least one adult in family with long-standing illness or disability	Yes	-.626	.218	2.875	188.000	.005
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	-.473	.618	-.766	188.000	.445
	Single: Working 0-15 hrs	-.482	.454	-	188.000	.289
	Couple: Both working over 16 hrs	-.865	.592	-	188.000	.146
	Couple: One working over 16 hrs	-.459	.525	-.875	188.000	.383
	Couple: Both working 0-15 hrs	.000	.	.	.	.
Whether self employed	Yes	.265	.266	.997	188.000	.320
	No	.000	.	.	.	.
Main respondent income varies	Not employed	-.035	.363	-.098	188.000	.922
	Income varies	-.392	.221	-	188.000	.078
	Income does not vary	.000	.	.	.	.
Annual household income	Up to £5,199 per annum	-.540	.485	-	188.000	.267
	£5,200 to £10,399 per annum	-.514	.370	-	188.000	.167
	£10,400 to £25,999 per annum	-.192	.301	-.637	188.000	.525
	£26,000 to £41,599 per annum	-.174	.302	-.575	188.000	.566

	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits received	WTC & CTC	-.550	.367	-	188.000	.136
				1.498		
	CTC only	-	.443	-	188.000	.013
		1.116		2.521		
	WTC only	.000	.	.	.	.
Length of tax credits receipt	1 year or less	-.648	.216	-	188.000	.003
				2.996		
	2-3 years	-.860	.293	-	188.000	.004
				2.935		
	4-5 years	-.643	.224	-	188.000	.005
				2.871		
	More than 5 years	.000	.	.	.	.
Literacy level	Can read and write	1.029	.235	4.377	188.000	.000
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	.645	.235	2.739	188.000	.007
	Mid score	-.091	.242	-.374	188.000	.709
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	-.054	.252	-.214	188.000	.831
	Tend to have neutral views	.396	.263	1.509	188.000	.133
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	1.174	.236	4.986	188.000	.000
	Tend to have neutral views	.691	.216	3.196	188.000	.002
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	-.012	.265	-.044	188.000	.965
	Willing but needs help	-.335	.234	-	188.000	.154
				1.430		
	Potential rule breakers	-.698	.430	-	188.000	.107
				1.621		
	Rule breakers	.127	.567	.223	188.000	.823
	Unaware	.000	.	.	.	.
Can tell whether got correct change at shop	Yes, easily	.230	.390	.591	188.000	.555
	With difficulty or not at all	.000	.	.	.	.

Table B.3 Factors predicting awareness of renewals deadline

	Parameter	B	Std. Error	Hypothesis Test		
				t	df	Sig.
	(Intercept)	.276	.755	.366	188.000	.715
Ethnic group of main respondent 2 categories	White	-	.221	-.999	188.000	.319
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	-	.172	-	188.000	.158
	No	.244	.	1.418	.	.
Employment status and household type	Single: Working over 16 hrs	.326	.429	.761	188.000	.447
	Single: Working 0-15 hrs	-	.384	-.466	188.000	.642
	Couple: Both working over 16 hrs	.179	.	.	.	.
	Couple: One working over 16 hrs	.377	.425	.889	188.000	.375
	Couple: Both working 0-15 hrs	.303	.380	.797	188.000	.426
	Whether self employed	Couple: Both working 0-15 hrs	.000	.	.	.
Main respondent income varies	Yes	.107	.191	.560	188.000	.576
	No	.000	.	.	.	.
Annual household income	Not employed	.180	.265	.679	188.000	.498
	Income varies	-	.182	-.570	188.000	.569
	Income does not vary	.104	.	.	.	.
	Up to £5,199 per annum	.000	.	.	.	.
Type of tax credits received	£5,200 to £10,399 per annum	.394	.453	.870	188.000	.385
	£10,400 to £25,999 per annum	.087	.289	.302	188.000	.763
	£26,000 to £41,599 per annum	-	.226	-.381	188.000	.703
	£41,600 or more per annum	.086	.	.	.	.
	WTC & CTC	-	.233	-.728	188.000	.467
Length of tax credits receipt	CTC only	.170	.	.	.	.
	WTC only	.000	.	.	.	.
	1 year or less	.031	.269	.114	188.000	.910
Literacy level	CTC only	-	.309	-.310	188.000	.757
	2-3 years	.096	.	.	.	.
	4-5 years	.000	.	.	.	.
	More than 5 years	-	.166	-	188.000	.019
	Can read and write	.393	.2373	2.373		
Financial capability score	Cannot either read or write	-	.198	-.510	188.000	.611
	High score	.101	.	.	.	.
	Mid score	-	.178	-.990	188.000	.324
I am confident using a computer	Low score	.176	.	.	.	.
	Tend to disagree	.000	.	.	.	.
	Tend to have neutral views	.294	.242	1.214	188.000	.226
I often need help understanding official forms	Cannot either read or write	.000	.	.	.	.
	High score	.000	.	.	.	.
	Mid score	.384	.159	2.415	188.000	.017
	Low score	.162	.197	.824	188.000	.411
I am confident using a computer	Tend to disagree	.000	.	.	.	.
	Tend to have neutral views	.368	.183	2.014	188.000	.045
	Tend to agree	.261	.189	1.380	188.000	.169
I often need help understanding official forms	Tend to disagree	.000	.	.	.	.
	Tend to have neutral views	.126	.172	.733	188.000	.465
	Tend to agree	-	.178	-.560	188.000	.576
		.100	.	.	.	.
		.000	.	.	.	.

Customer Segmentation group	Willing and able	-	.170	-.743	188.000	.458
		.126				
	Willing but needs help	-	.207	-.975	188.000	.331
		.202				
	Potential rule breakers	-	.324	-.627	188.000	.532
		.203				
	Rule breakers	.046	.512	.090	188.000	.928
	Unaware	.000	.	.	.	.
Renewed after deadline	Renewed on time	.627	.245	2.563	188.000	.011
	Renewed late	.000	.	.	.	.
Can tell whether got correct change at shop	Yes, easily	.183	.379	.482	188.000	.630
	With difficulty or not at all	.000	.	.	.	.

Table B.4 Factors predicting time taken to renew

	Parameter	B	Std. Error	Hypothesis Test		
				t	df	Sig.
Less than 1 week	(Intercept)	-	1.031	-	188.000	.141
		1.524		1.479		
Ethnic group of main respondent 2 categories	White	.519	.289	1.796	188.000	.074
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	.274	.251	1.092	188.000	.276
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	.269	.551	.488	188.000	.626
	Single: Working 0-15 hrs	.257	.524	.491	188.000	.624
	Couple: Both working over 16 hrs	.561	.545	1.030	188.000	.304
	Couple: One working over 16 hrs	.418	.472	.886	188.000	.377
	Couple: Both working 0-15 hrs	.000	.	.	.	.
	Whether self employed	Yes	1.234	.242	5.105	188.000	.000
	No	.000	.	.	.	.
Main respondent income varies	Not employed	.382	.341	1.120	188.000	.264
	Income varies	-.053	.238	-.223	188.000	.823
	Income does not vary	.000	.	.	.	.
Annual household income	Up to £5,199 per annum	.272	.458	.595	188.000	.553
	£5,200 to £10,399 per annum	.691	.368	1.880	188.000	.062
	£10,400 to £25,999 per annum	.722	.289	2.500	188.000	.013
	£26,000 to £41,599 per annum	.058	.278	.208	188.000	.836
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits received	WTC only	.023	.282	.081	188.000	.936
	CTC only	-.185	.204	-.910	188.000	.364
	WTC & CTC	.000	.	.	.	.
Length of tax credits receipt	1 year or less	.949	.230	4.128	188.000	.000
	2-3 years	.733	.257	2.847	188.000	.005
	4-5 years	-.021	.210	-.100	188.000	.920
	More than 5 years	.000	.	.	.	.
Literacy level	Can read and write	.022	.329	.065	188.000	.948

	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	.798	.212	3.757	188.000	.000
	Mid score	.635	.277	2.288	188.000	.023
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	.219	.227	.961	188.000	.338
	Tend to have neutral views	.180	.227	.794	188.000	.428
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	-.115	.216	-.531	188.000	.596
	Tend to have neutral views	.137	.233	.586	188.000	.558
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	-.015	.200	-.073	188.000	.942
	Willing but needs help	-.161	.239	-.671	188.000	.503
	Potential rule breakers	-.411	.445	-.925	188.000	.356
	Rule breakers	.721	.585	1.232	188.000	.219
	Unaware	.000	.	.	.	.
Awareness of renewal deadline	Yes	-.402	.210	-	188.000	.057
				1.912		
	No	.000	.	.	.	.
Can tell whether got correct change at shop	Yes, easily	-.312	.552	-.565	188.000	.573
	With difficulty or not at all	.000	.	.	.	.
Knowledge of consequences of late renewals score	Failed to mention any consequences	-.355	.828	-.429	188.000	.668
	1 correct answer	-.311	.596	-.522	188.000	.603
	2 correct answers	-.287	.598	-.480	188.000	.632
	3 correct answers	-.770	.628	-	188.000	.221
				1.227		
	4 correct answers	.000	.	.	.	.
1-2 weeks	(Intercept)	-	1.023	-	188.000	.283
		1.102		1.077		
Ethnic group of main respondent 2 categories	White	-.033	.300	-.109	188.000	.914
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	.048	.253	.190	188.000	.850
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	.707	.606	1.166	188.000	.245
	Single: Working 0-15 hrs	.648	.538	1.204	188.000	.230
	Couple: Both working over 16 hrs	1.169	.594	1.969	188.000	.050
	Couple: One working over 16 hrs	1.011	.529	1.910	188.000	.058
	Couple: Both working 0-15 hrs	.000	.	.	.	.
Whether self employed	Yes	.738	.253	2.924	188.000	.004
	No	.000	.	.	.	.
Main respondent income varies	Not employed	.280	.310	.902	188.000	.368
	Income varies	-.101	.235	-.428	188.000	.669
	Income does not vary	.000	.	.	.	.
Annual household income	Up to £5,199 per annum	.488	.461	1.060	188.000	.290
	£5,200 to £10,399 per annum	.919	.387	2.376	188.000	.019
	£10,400 to £25,999 per annum	.779	.270	2.888	188.000	.004

	£26,000 to £41,599 per annum	.553	.284	1.948	188.000	.053
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits received	WTC only	.052	.291	.180	188.000	.858
	CTC only	-.186	.212	-.878	188.000	.381
	WTC & CTC	.000	.	.	.	.
Length of tax credits receipt	1 year or less	.902	.223	4.040	188.000	.000
	2-3 years	.779	.240	3.240	188.000	.001
	4-5 years	-.214	.209	-	188.000	.308
				1.023		
	More than 5 years	.000	.	.	.	.
Literacy level	Can read and write	-.104	.329	-.315	188.000	.753
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	.507	.206	2.463	188.000	.015
	Mid score	.180	.272	.661	188.000	.510
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	.383	.244	1.572	188.000	.118
	Tend to have neutral views	.371	.230	1.614	188.000	.108
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	.034	.225	.149	188.000	.882
	Tend to have neutral views	.443	.234	1.897	188.000	.059
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	.014	.210	.068	188.000	.946
	Willing but needs help	.062	.263	.235	188.000	.815
	Potential rule breakers	-.056	.404	-.139	188.000	.890
	Rule breakers	.890	.571	1.558	188.000	.121
	Unaware	.000	.	.	.	.
Awareness of renewal deadline	Yes	-.020	.221	-.089	188.000	.929
	No	.000	.	.	.	.
Can tell whether got correct change at shop	Yes, easily	-.689	.504	-	188.000	.173
				1.367		
	With difficulty or not at all	.000	.	.	.	.
Knowledge of consequences of late renewals score	Failed to mention any consequences	-.314	.823	-.382	188.000	.703
	1 correct answer	-.386	.617	-.625	188.000	.533
	2 correct answers	-.463	.639	-.725	188.000	.469
	3 correct answers	-.929	.685	-	188.000	.177
				1.356		
	4 correct answers	.000	.	.	.	.
3-4 weeks	(Intercept)	-	1.115	-.909	188.000	.364
		1.013				
Ethnic group of main respondent 2 categories	White	.094	.313	.302	188.000	.763
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	.315	.263	1.200	188.000	.232
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	.620	.577	1.075	188.000	.284
	Single: Working 0-15 hrs	.169	.575	.293	188.000	.770
	Couple: Both working over 16 hrs	.875	.570	1.536	188.000	.126
	Couple: One working over 16 hrs	.903	.542	1.667	188.000	.097
	Couple: Both working 0-15 hrs	.000	.	.	.	.

Whether self employed	Yes	.316	.256	1.233	188.000	.219
	No	.000	.	.	.	.
Main respondent income varies	Not employed	.188	.355	.528	188.000	.598
	Income varies	-.113	.244	-.465	188.000	.642
	Income does not vary	.000	.	.	.	.
Annual household income	Up to £5,199 per annum	-.028	.607	-.046	188.000	.963
	£5,200 to £10,399 per annum	.355	.431	.822	188.000	.412
	£10,400 to £25,999 per annum	.866	.310	2.790	188.000	.006
	£26,000 to £41,599 per annum	.271	.320	.847	188.000	.398
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits received	WTC only	-.812	.352	-	188.000	.022
				2.306		
Length of tax credits receipt	CTC only	-.213	.232	-.916	188.000	.361
	WTC & CTC	.000	.	.	.	.
	1 year or less	.327	.258	1.269	188.000	.206
	2-3 years	.495	.285	1.740	188.000	.083
Literacy level	4-5 years	-.068	.240	-.285	188.000	.776
	More than 5 years	.000	.	.	.	.
	Can read and write	-.143	.299	-.478	188.000	.633
Financial capability score	Cannot either read or write	.000	.	.	.	.
	High score	.131	.236	.556	188.000	.579
	Mid score	.241	.322	.750	188.000	.454
I am confident using a computer	Low score	.000	.	.	.	.
	Tend to disagree	.235	.271	.867	188.000	.387
	Tend to have neutral views	.370	.246	1.505	188.000	.134
I often need help understanding official forms	Tend to agree	.000	.	.	.	.
	Tend to disagree	-.107	.251	-.425	188.000	.671
	Tend to have neutral views	.129	.257	.502	188.000	.616
Customer Segmentation group	Tend to agree	.000	.	.	.	.
	Willing and able	.060	.238	.253	188.000	.801
	Willing but needs help	.342	.255	1.337	188.000	.183
	Potential rule breakers	.068	.420	.163	188.000	.871
	Rule breakers	.323	.659	.491	188.000	.624
Awareness of renewal deadline	Unaware	.000	.	.	.	.
	Yes	.131	.253	.518	188.000	.605
Can tell whether got correct change at shop	No	.000	.	.	.	.
	Yes, easily	-.293	.573	-.511	188.000	.610
	With difficulty or not at all	.000	.	.	.	.
Knowledge of consequences of late renewals score	Failed to mention any consequences	-.854	.994	-.859	188.000	.391
	1 correct answer	-.476	.610	-.781	188.000	.436
	2 correct answers	-.560	.620	-.903	188.000	.367
	3 correct answers	-.886	.659	-	188.000	.180
	4 correct answers	.000	.	1.345	.	.

Table B.5 Factors predicting use of guidance notes

	Parameter	B	Std. Error	Hypothesis Test		
				t	df	Sig.
	(Intercept)	1.347	.595	2.264	188.000	.025
Ethnic group of main respondent 2 categories	White	-.491	.170	2.890	188.000	.004
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	-.028	.135	-.208	188.000	.835
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	-.467	.342	-1.364	188.000	.174
	Single: Working 0-15 hrs	-.391	.284	-1.378	188.000	.170
	Couple: Both working over 16 hrs	-.268	.344	-.778	188.000	.438
	Couple: One working over 16 hrs	-.146	.294	-.497	188.000	.620
	Couple: Both working 0-15 hrs	.000	.	.	.	.
Whether self employed	Yes	.100	.131	.762	188.000	.447
	No	.000	.	.	.	.
Main respondent income varies	Not employed	-.253	.192	-1.318	188.000	.189
	Income varies	.085	.133	.635	188.000	.526
	Income does not vary	.000	.	.	.	.
Annual household income	Up to £5,199 per annum	-.284	.280	-1.015	188.000	.312
	£5,200 to £10,399 per annum	-.163	.227	-.721	188.000	.472
	£10,400 to £25,999 per annum	-.389	.176	-2.211	188.000	.028
	£26,000 to £41,599 per annum	-.095	.157	-.606	188.000	.545
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits received	WTC & CTC	-.269	.181	-1.484	188.000	.139
	CTC only	.060	.206	.292	188.000	.771
	WTC only	.000	.	.	.	.
Length of tax credits receipt	1 year or less	-.220	.140	-1.565	188.000	.119
	2-3 years	.397	.145	2.737	188.000	.007
	4-5 years	-.064	.131	-.491	188.000	.624
	More than 5 years	.000	.	.	.	.
Literacy level	Can read and write	-.336	.192	-1.752	188.000	.081
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	.009	.128	.068	188.000	.946
	Mid score	.178	.153	1.165	188.000	.246
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	.296	.132	2.242	188.000	.026
	Tend to have neutral views	.224	.138	1.625	188.000	.106
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	.020	.142	.144	188.000	.886
	Tend to have neutral views	-.068	.150	-.453	188.000	.651
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	.153	.119	1.285	188.000	.200

	Willing but needs help	.110	.150	.733	188.000	.464
	Potential rule breakers	.006	.254	.024	188.000	.981
	Rule breakers	-.237	.350	-.677	188.000	.499
	Unaware	.000	.	.	.	.
Can tell whether got correct change at shop	Yes, easily	.013	.289	.045	188.000	.964
	With difficulty or not at all	.000	.	.	.	.

Table B.6 Factors predicting experiencing problems with renewal docs

	Parameter	B	Std. Error	Hypothesis Test		
				t	df	Sig.
	(Intercept)	-	1.269	-	188.000	.168
Ethnic group of main respondent 2 categories	White	1.756	.323	1.384	188.000	.926
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	-.093	.258	-.358	188.000	.721
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	.094	.697	.135	188.000	.893
	Single: Working 0-15 hrs	.179	.503	.356	188.000	.722
	Couple: Both working over 16 hrs	.044	.729	.060	188.000	.952
	Couple: One working over 16 hrs	.173	.505	.342	188.000	.733
	Couple: Both working 0-15 hrs	.000	.	.	.	.
	Whether self employed	Yes	-.331	.314	-	188.000	.294
	No	.000	.	1.053	.	.
Main respondent income varies	Not employed	.666	.420	1.586	188.000	.114
	Income varies	-.263	.309	-.850	188.000	.397
	Income does not vary	.000	.	.	.	.
Annual household income	Up to £5,199 per annum	-.372	.612	-.607	188.000	.545
	£5,200 to £10,399 per annum	-.401	.493	-.814	188.000	.417
	£10,400 to £25,999 per annum	-.365	.389	-.940	188.000	.348
	£26,000 to £41,599 per annum	-.169	.361	-.467	188.000	.641
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits received	WTC & CTC	.583	.414	1.406	188.000	.161
	CTC only	.732	.506	1.446	188.000	.150
	WTC only	.000	.	.	.	.
Length of tax credits receipt	1 year or less	-.475	.293	-	188.000	.107
	2-3 years	.023	.337	.068	188.000	.946
	4-5 years	.348	.223	1.558	188.000	.121
	More than 5 years	.000	.	.	.	.
	Literacy level	Can read and write	-.503	.252	-	188.000	.048
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	-.523	.268	-	188.000	.052
	Mid score	-.392	.339	-	188.000	.248
	Low score	.000	.	.	.	.

I am confident using a computer	Tend to disagree	.099	.268	.371	188.000	.711
	Tend to have neutral views	.152	.283	.536	188.000	.593
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	-	.246	-	188.000	.000
		1.418		5.763		
	Tend to have neutral views	-.839	.239	-	188.000	.001
			3.516			
Customer Segmentation group	Tend to agree	.000	.	.	.	.
	Willing and able	.418	.271	1.545	188.000	.124
	Willing but needs help	.567	.284	1.999	188.000	.047
	Potential rule breakers	.942	.471	2.000	188.000	.047
	Rule breakers	1.175	.571	2.058	188.000	.041
	Unaware	.000	.	.	.	.
Can tell whether got correct change at shop	Yes, easily	-.260	.440	-.591	188.000	.555
	With difficulty or not at all	.000	.	.	.	.

Table B.7 Factors predicting ease of understanding guidance notes

	Parameter	B	Std. Error	Hypothesis Test		
				t	df	Sig.
Easy	(Intercept)	.805	1.052	.765	188.000	.445
Ethnic group of main respondent 2 categories	White	.234	.377	.620	188.000	.536
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	-.662	.294	-	188.000	.025
				2.252		
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	.779	.800	.974	188.000	.331
	Single: Working 0-15 hrs	.615	.541	1.138	188.000	.257
	Couple: Both working over 16 hrs	.530	.715	.741	188.000	.459
	Couple: One working over 16 hrs	.543	.599	.907	188.000	.366
	Couple: Both working 0-15 hrs	.000	.	.	.	.
	Whether self employed	Yes	.221	.325	.682	188.000	.496
	No	.000	.	.	.	.
Main respondent income varies	Not employed	-.206	.386	-.534	188.000	.594
	Income varies	-.383	.272	-	188.000	.162
				1.404		
Annual household income	Income does not vary	.000	.	.	.	.
	Up to £5,199 per annum	.323	.597	.541	188.000	.589
	£5,200 to £10,399 per annum	.277	.497	.557	188.000	.578
	£10,400 to £25,999 per annum	-.072	.404	-.178	188.000	.859
	£26,000 to £41,599 per annum	.114	.405	.283	188.000	.778
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits received	WTC & CTC	-.883	.475	-	188.000	.065
				1.858		
	CTC only	-.805	.556	-	188.000	.150
				1.447		
	WTC only	.000	.	.	.	.

Length of tax credits receipt	1 year or less	.749	.358	2.090	188.000	.038
	2-3 years	-.223	.284	-.788	188.000	.432
	4-5 years	-.392	.287	-	188.000	.175
				1.363		
	More than 5 years	.000	.	.	.	.
Literacy level	Can read and write	.547	.270	2.029	188.000	.044
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	.396	.303	1.307	188.000	.193
	Mid score	-.051	.339	-.150	188.000	.881
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	.188	.265	.709	188.000	.479
	Tend to have neutral views	.302	.290	1.042	188.000	.299
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	1.268	.286	4.429	188.000	.000
	Tend to have neutral views	.510	.264	1.936	188.000	.054
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	-.272	.288	-.946	188.000	.346
	Willing but needs help	-.229	.307	-.745	188.000	.457
	Potential rule breakers	-	.460	-	188.000	.021
	Rule breakers	-.676	.723	-.935	188.000	.351
	Unaware	.000	.	.	.	.
Can tell whether got correct change at shop	Yes, easily	-.042	.481	-.087	188.000	.931
	With difficulty or not at all	.000	.	.	.	.
Neither easy or difficult	(Intercept)	1.012	1.261	.803	188.000	.423
Ethnic group of main respondent 2 categories	White	-.162	.407	-.398	188.000	.691
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	-.127	.327	-.388	188.000	.698
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	1.075	.858	1.253	188.000	.212
	Single: Working 0-15 hrs	.604	.658	.918	188.000	.360
	Couple: Both working over 16 hrs	.206	.772	.267	188.000	.790
	Couple: One working over 16 hrs	.615	.668	.921	188.000	.358
	Couple: Both working 0-15 hrs	.000	.	.	.	.
Whether self employed	Yes	-.385	.360	-	188.000	.285
	No	.000	.	1.071	.	.
Main respondent income varies	Not employed	-.127	.407	-.311	188.000	.756
	Income varies	-.959	.326	-	188.000	.004
				2.946		
	Income does not vary	.000	.	.	.	.
Annual household income	Up to £5,199 per annum	-	.912	-	188.000	.042
	£5,200 to £10,399 per annum	1.131	.586	1.931	188.000	.055
	£10,400 to £25,999 per annum	-.836	.445	-	188.000	.062
	£26,000 to £41,599 per annum	-.272	.453	-.601	188.000	.548
	£41,600 or more per annum	.000	.	.	.	.

Type of tax credits received	annum					
	WTC & CTC	-.318	.538	-.590	188.000	.556
	CTC only	-.131	.633	-.206	188.000	.837
Length of tax credits receipt	WTC only	.000	.	.	.	.
	1 year or less	.782	.405	1.930	188.000	.055
	2-3 years	-.269	.362	-.743	188.000	.458
	4-5 years	-.162	.306	-.529	188.000	.598
Literacy level	More than 5 years	.000	.	.	.	.
	Can read and write	-.166	.358	-.463	188.000	.644
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	.242	.315	.768	188.000	.444
	Mid score	-.164	.382	-.429	188.000	.668
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	.046	.373	.122	188.000	.903
	Tend to have neutral views	.025	.357	.069	188.000	.945
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	.932	.336	2.774	188.000	.006
	Tend to have neutral views	.705	.322	2.192	188.000	.030
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	-	.338	-	188.000	.002
		1.039		3.076		
	Willing but needs help	-.430	.365	-	188.000	.240
	Potential rule breakers	-	.652	-	188.000	.000
	2.334		3.578			
Can tell whether got correct change at shop	Rule breakers	-.213	.749	-.285	188.000	.776
	Unaware	.000	.	.	.	.
	Yes, easily	.641	.612	1.048	188.000	.296
	With difficulty or not at all	.000	.	.	.	.

Table B.8 Factors predicting whether sought help with renewals

	Parameter	B	Std. Error	Hypothesis Test		
				t	df	Sig.
	(Intercept)	-.226	.704	-.321	188.000	.749
Ethnic group of main respondent 2 categories	White	-.168	.198	-.850	188.000	.396
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	.374	.170	2.200	188.000	.029
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	.098	.462	.211	188.000	.833
	Single: Working 0-15 hrs	.077	.342	.224	188.000	.823
	Couple: Both working over 16 hrs	.118	.465	.254	188.000	.799
	Couple: One working over 16 hrs	-.244	.402	-.608	188.000	.544
	Couple: Both working 0-15 hrs	.000	.	.	.	.
	Whether self employed	Yes	-.357	.185	-	188.000	.056
	No	.000	.	1.925	.	.
Main respondent income varies	Not employed	.325	.280	1.161	188.000	.247
	Income varies	.179	.185	.963	188.000	.337

	Income does not vary	.000	.	.	.	.	.
Annual household income	Up to £5,199 per annum	.484	.370	1.308	188.000	.193	
	£5,200 to £10,399 per annum	.079	.317	.248	188.000	.805	
	£10,400 to £25,999 per annum	-	.248	-.711	188.000	.478	
	£26,000 to £41,599 per annum	.002	.250	.010	188.000	.992	
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits received	WTC & CTC	.051	.223	.227	188.000	.821	
	CTC only	-	.240	-.913	188.000	.362	
	WTC only	.220	.	.	.	.
Length of tax credits receipt	1 year or less	.000	.	.	.	.
	2-3 years	.111	.172	.643	188.000	.521	
	4-5 years	.430	.196	2.192	188.000	.030	
	More than 5 years	.217	.169	1.279	188.000	.202	
Literacy level	Can read and write	.000	.	.	.	.
	Cannot either read or write	-	.200	-	188.000	.073	
		.360	.	1.803	.	.	
Financial capability score	High score	.000	.	.	.	.
		-	.180	-	188.000	.228	
		.218	.	1.209	.	.	
I am confident using a computer	Mid score	-	.222	-.336	188.000	.737	
		.074	.	.	.	.
	Low score	.000	.	.	.	.
	Tend to disagree	-	.167	-.006	188.000	.996	
I often need help understanding official forms		.001	.	.	.	.
	Tend to have neutral views	.301	.166	1.808	188.000	.072	
	Tend to agree	.000	.	.	.	.
	Tend to disagree	-	.165	-	188.000	.000	
		.737	.	4.463	.	.	
	Tend to have neutral views	-	.153	-	188.000	.024	
Customer Segmentation group		.348	.	2.269	.	.	
	Tend to agree	.000	.	.	.	.
	Willing and able	-	.172	-.331	188.000	.741	
		.057	.	.	.	.
	Willing but needs help	.101	.187	.542	188.000	.588	
Can tell whether got correct change at shop	Potential rule breakers	.302	.358	.844	188.000	.400	
	Rule breakers	-	.427	-.756	188.000	.451	
		.323	.	.	.	.
	Unaware	.000	.	.	.	.
Can tell whether got correct change at shop	Yes, easily	-	.318	-.250	188.000	.803	
		.080	.	.	.	.
	With difficulty or not at all	.000	.	.	.	.

Table B.9 Factors predicting whether sought help with renewals from helpline

	Parameter	B	Std. Error	Hypothesis Test		
				t	df	Sig.
	(Intercept)	-	1.404	-	161.000	.074
Ethnic group of main respondent 2 categories	White	2.526	.417	1.799	161.000	.567
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	-.237	.369	-.644	161.000	.521
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	-.172	.981	-.175	161.000	.861
	Single: Working 0-15 hrs	-	.760	-	161.000	.068
	Couple: Both working over 16 hrs	1.395	.888	1.835	161.000	.575
	Couple: One working over 16 hrs	-.499	.888	-.562	161.000	.575
	Couple: Both working 0-15 hrs	.496	.837	.593	161.000	.554
		.000	.	.	.	.
Whether self employed	Yes	1.144	.439	2.603	161.000	.010
	No	.000	.	.	.	.
Main respondent income varies	Not employed	-.370	.751	-.493	161.000	.623
	Income varies	.294	.466	.632	161.000	.528
	Income does not vary	.000	.	.	.	.
Annual household income	Up to £5,199 per annum	.327	1.050	.312	161.000	.756
	£5,200 to £10,399 per annum	.160	1.020	.157	161.000	.876
	£10,400 to £25,999 per annum	.634	.956	.663	161.000	.508
	£26,000 to £41,599 per annum	-.405	.794	-.511	161.000	.610
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits received	WTC & CTC	1.387	.490	2.828	161.000	.005
	CTC only	2.384	.726	3.282	161.000	.001
	WTC only	.000	.	.	.	.
Length of tax credits receipt	1 year or less	-.680	.377	-	161.000	.073
	2-3 years	1.186	.573	2.070	161.000	.040
	4-5 years	.611	.418	1.460	161.000	.146
Literacy level	More than 5 years	.000	.	.	.	.
	Can read and write	1.090	.421	2.591	161.000	.010
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	.383	.419	.915	161.000	.362
	Mid score	.700	.578	1.211	161.000	.228
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	-.547	.313	-	161.000	.082
	Tend to have neutral views	-.309	.461	-.670	161.000	.504
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	.053	.394	.133	161.000	.894
	Tend to have neutral views	.692	.387	1.791	161.000	.075
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	-.061	.392	-.156	161.000	.876

Willing but needs help	-217	.421	-.516	161.000	.607
Potential rule breakers	.995	.858	1.160	161.000	.248
Rule breakers	1.805	1.493	1.208	161.000	.229
Unaware	.000	.	.	.	.

Table B.10 Factors predicting whether renewed after deadline

	Parameter	B	Std. Error	Hypothesis Test		
				t	df	Sig.
	(Intercept)	2.475	1.689	1.466	188.000	.144
Ethnic group of main respondent 2 categories	White	.342	.387	.883	188.000	.378
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	.149	.309	.480	188.000	.632
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	-.231	.936	-.246	188.000	.806
	Single: Working 0-15 hrs	-.209	.759	-.276	188.000	.783
	Couple: Both working over 16 hrs	-.319	.894	-.357	188.000	.722
	Couple: One working over 16 hrs	-.343	.751	-.457	188.000	.648
	Couple: Both working 0-15 hrs	.000	.	.	.	.
	Whether self employed	Yes	.202	.298	.676	188.000	.500
	No	.000	.	.	.	.
Main respondent income varies	Not employed	-.200	.458	-.437	188.000	.663
	Income varies	-.251	.362	-.694	188.000	.489
	Income does not vary	.000	.	.	.	.
Annual household income	Up to £5,199 per annum	.140	.698	.201	188.000	.841
	£5,200 to £10,399 per annum	-.048	.560	-.086	188.000	.931
	£10,400 to £25,999 per annum	.497	.412	1.206	188.000	.229
	£26,000 to £41,599 per annum	.355	.382	.930	188.000	.354
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits received	WTC & CTC	-.188	.518	-.363	188.000	.717
	CTC only	-.650	.543	-	188.000	.233
	WTC only	.000	.	1.196	.	.
Length of tax credits receipt	1 year or less	.001	.305	.003	188.000	.997
	2-3 years	.191	.323	.592	188.000	.555
	4-5 years	.257	.361	.712	188.000	.478
	More than 5 years	.000	.	.	.	.
Literacy level	Can read and write	.017	.435	.038	188.000	.969
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	1.081	.334	3.238	188.000	.001
	Mid score	1.361	.378	3.605	188.000	.000
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	.630	.355	1.777	188.000	.077
	Tend to have neutral views	.581	.336	1.729	188.000	.086
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	.546	.278	1.962	188.000	.051
	Tend to have neutral	.875	.337	2.597	188.000	.010

	views					
Customer Segmentation group	Tend to agree	.000	.	.	.	.
	Willing and able	-.459	.338	-	188.000	.176
				1.359		
	Willing but needs help	-.532	.350	-	188.000	.131
				1.517		
Potential rule breakers		-.400	.663	-.603	188.000	.547
	Rule breakers	-.626	.531	-	188.000	.240
				1.179		
Awareness of renewal deadline	Unaware	.000	.	.	.	.
	Yes	.614	.242	2.540	188.000	.012
	No	.000	.	.	.	.
Can tell whether got correct change at shop	Yes, easily	-	.977	-	188.000	.265
		1.092		1.117		
	With difficulty or not at all	.000	.	.	.	.

Table B.11 Factors predicting knowledge of consequences of late renewals

	Parameter	B	Std. Error	Hypothesis Test		
				t	df	Sig.
Failed to mention any consequences	(Intercept)	1.278	3.118	.410	188.000	.682
Ethnic group of main respondent 2 categories	White	-	.745	-	188.000	.028
		1.646		2.210		
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	-.886	.695	-	188.000	.204
				1.275		
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	1.628	2.035	.800	188.000	.425
	Single: Working 0-15 hrs	1.364	1.334	1.023	188.000	.308
	Couple: Both working over 16 hrs	2.870	1.968	1.458	188.000	.146
	Couple: One working over 16 hrs	2.896	1.717	1.686	188.000	.093
	Couple: Both working 0-15 hrs	.000	.	.	.	.
Whether self employed	Yes	-.636	.658	-.968	188.000	.335
	No	.000	.	.	.	.
Main respondent income varies	Not employed	-.239	1.201	-.199	188.000	.842
	Income varies	-.059	.632	-.093	188.000	.926
	Income does not vary	.000	.	.	.	.
Annual household income	Up to £5,199 per annum	.928	1.509	.615	188.000	.539
	£5,200 to £10,399 per annum	.807	1.071	.753	188.000	.452
	£10,400 to £25,999 per annum	1.204	.891	1.352	188.000	.178
	£26,000 to £41,599 per annum	1.086	.911	1.192	188.000	.235
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits receipt	WTC & CTC	-.730	.603	-	188.000	.228
				1.210		
	CTC only	.577	.843	.684	188.000	.495
Length of tax credits receipt	WTC only	.000	.	.	.	.
	1 year or less	.944	.625	1.510	188.000	.133
	2-3 years	.716	.600	1.194	188.000	.234
	4-5 years	.297	.693	.428	188.000	.669
	More than 5 years	.000	.	.	.	.
Literacy level	Can read and write	-.179	.587	-.304	188.000	.761

	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	-.712	.596	-	188.000	.234
	Mid score	.231	.712	.324	188.000	.746
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	1.939	.821	2.361	188.000	.019
	Tend to have neutral views	.967	.718	1.347	188.000	.180
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	.272	.546	.499	188.000	.619
	Tend to have neutral views	-.431	.556	-.775	188.000	.439
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	-.884	.544	-	188.000	.106
	Willing but needs help	-	.657	-	188.000	.086
	Potential rule breakers	1.133	1.316	.718	188.000	.474
	Rule breakers	.945	1.284	-.037	188.000	.971
	Unaware	-.048	1.284	-.037	188.000	.971
Can tell whether got correct change at shop	Yes, easily	.000	.	.	.	.
	With difficulty or not at all	1.625	1.384			
1 correct answer	(Intercept)	.000	.	.	.	.
Ethnic group of main respondent 2 categories	White	2.146	2.169	.990	188.000	.324
	Non-white	-	.646	-	188.000	.106
At least one adult in family with long-standing illness or disability	Yes	1.048	1.623			
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	-.627	.435	-	188.000	.151
	Single: Working 0-15 hrs	.000	.	.	.	.
	Couple: Both working over 16 hrs	1.060	1.615	.657	188.000	.512
	Couple: One working over 16 hrs	.102	.755	.135	188.000	.893
	Couple: Both working 0-15 hrs	2.066	1.533	1.347	188.000	.179
Whether self employed	Yes	2.214	1.238	1.788	188.000	.075
	No	.000	.	.	.	.
Main respondent income varies	Not employed	-.313	.509	-.615	188.000	.540
	Income varies	.000	.	.	.	.
	Income does not vary	.149	1.125	.133	188.000	.895
Annual household income	Up to £5,199 per annum	.034	.460	.074	188.000	.941
	£5,200 to £10,399 per annum	.000	.	.	.	.
	£10,400 to £25,999 per annum	2.460	1.013	2.427	188.000	.016
	£26,000 to £41,599 per annum	1.809	.698	2.591	188.000	.010
	£41,600 or more per annum	1.594	.566	2.813	188.000	.005
Type of tax credits receipt	WTC & CTC	1.617	.695	2.326	188.000	.021
	CTC only	.429	.458	.935	188.000	.351
	WTC only	1.155	.696	1.660	188.000	.099
Length of tax credits receipt	1 year or less	.000	.	.	.	.
	2-3 years	.456	.553	.826	188.000	.410
		-.015	.465	-.033	188.000	.973

	4-5 years	1.027	.476	2.155	188.000	.032
	More than 5 years	.000	.	.	.	.
Literacy level	Can read and write	.014	.518	.026	188.000	.979
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	-.245	.409	-.600	188.000	.549
	Mid score	.096	.518	.185	188.000	.853
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	1.039	.646	1.609	188.000	.109
	Tend to have neutral views	.761	.471	1.616	188.000	.108
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	.774	.452	1.713	188.000	.088
	Tend to have neutral views	-.321	.448	-.716	188.000	.475
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	-.552	.370	-	188.000	.137
				1.494		
	Willing but needs help	-.439	.553	-.793	188.000	.429
	Potential rule breakers	1.367	1.096	1.247	188.000	.214
	Rule breakers	-.419	1.005	-.417	188.000	.677
	Unaware	.000	.	.	.	.
Can tell whether got correct change at shop	Yes, easily	-	1.047	-	188.000	.182
		1.402		1.339		
	With difficulty or not at all	.000	.	.	.	.
2 correct answers	(Intercept)	1.036	2.205	.470	188.000	.639
Ethnic group of main respondent 2 categories	White	-	.629	-	188.000	.096
		1.051		1.672		
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	-.575	.445	-	188.000	.198
				1.291		
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	.660	1.664	.397	188.000	.692
	Single: Working 0-15 hrs	-.058	.781	-.074	188.000	.941
	Couple: Both working over 16 hrs	1.799	1.556	1.156	188.000	.249
	Couple: One working over 16 hrs	1.746	1.285	1.359	188.000	.176
	Couple: Both working 0-15 hrs	.000	.	.	.	.
Whether self employed	Yes	.010	.513	.019	188.000	.985
	No	.000	.	.	.	.
Main respondent income varies	Not employed	.177	1.146	.154	188.000	.878
	Income varies	.187	.459	.407	188.000	.685
	Income does not vary	.000	.	.	.	.
Annual household income	Up to £5,199 per annum	2.385	1.044	2.285	188.000	.023
	£5,200 to £10,399 per annum	1.469	.727	2.020	188.000	.045
	£10,400 to £25,999 per annum	1.408	.622	2.264	188.000	.025
	£26,000 to £41,599 per annum	1.382	.722	1.913	188.000	.057
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits receipt	WTC & CTC	.321	.459	.699	188.000	.485
	CTC only	.896	.711	1.261	188.000	.209
	WTC only	.000	.	.	.	.

Length of tax credits receipt	1 year or less	.463	.547	.847	188.000	.398	
	2-3 years	.130	.474	.275	188.000	.783	
	4-5 years	1.053	.489	2.152	188.000	.033	
	More than 5 years	.000	.	.	.	.
Literacy level	Can read and write	.300	.542	.555	188.000	.580	
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	-.285	.416	-.685	188.000	.494	
	Mid score	-.137	.549	-.249	188.000	.804	
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	.651	.630	1.033	188.000	.303	
	Tend to have neutral views	.422	.484	.871	188.000	.385	
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	.525	.456	1.152	188.000	.251	
	Tend to have neutral views	-.448	.453	-.989	188.000	.324	
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	-.434	.384	-	188.000	.259	
				1.132			
	Willing but needs help	-.367	.568	-.647	188.000	.518	
	Potential rule breakers	.494	1.089	.453	188.000	.651	
	Rule breakers	-.069	.990	-.070	188.000	.944	
Can tell whether got correct change at shop	Unaware	.000	.	.	.	.
	Yes, easily	-.328	1.064	-.308	188.000	.758	
	With difficulty or not at all	.000	.	.	.	.
3 correct answers	(Intercept)	1.843	2.251	.818	188.000	.414	
Ethnic group of main respondent 2 categories	White	-.126	.683	-.184	188.000	.854	
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	-.547	.479	-	188.000	.255	
	No	.000	.	1.141	.	.	
Employment status and household type	Single: Working over 16 hrs	-.432	1.699	-.255	188.000	.799	
	Single: Working 0-15 hrs	-	1.035	-	188.000	.225	
	Couple: Both working over 16 hrs	1.261		1.218			
	Couple: One working over 16 hrs	.307	1.635	.188	188.000	.851	
	Couple: Both working 0-15 hrs	.713	1.312	.543	188.000	.587	
	Whether self employed	Yes	-.547	.527	-	188.000	.301
	No	.000	.	1.038	.	.	
Main respondent income varies	Not employed	-.410	1.238	-.332	188.000	.741	
	Income varies	.207	.521	.396	188.000	.692	
	Income does not vary	.000	.	.	.	.
Annual household income	Up to £5,199 per annum	.866	1.279	.678	188.000	.499	
	£5,200 to £10,399 per annum	.858	.769	1.115	188.000	.266	
	£10,400 to £25,999 per annum	.962	.618	1.558	188.000	.121	
	£26,000 to £41,599 per annum	.927	.791	1.172	188.000	.243	
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits receipt	WTC & CTC	.529	.587	.902	188.000	.368	
	CTC only	.964	.786	1.226	188.000	.222	

	WTC only	.000	.	.	.	.
Length of tax credits receipt	1 year or less	.324	.586	.552	188.000	.582
	2-3 years	.242	.498	.486	188.000	.628
	4-5 years	.692	.527	1.314	188.000	.190
	More than 5 years	.000	.	.	.	.
Literacy level	Can read and write	.010	.628	.016	188.000	.987
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	-.297	.497	-.598	188.000	.550
	Mid score	.191	.577	.331	188.000	.741
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	1.090	.724	1.505	188.000	.134
	Tend to have neutral views	.714	.551	1.295	188.000	.197
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	.274	.489	.561	188.000	.575
	Tend to have neutral views	-.288	.475	-.606	188.000	.545
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	-.073	.445	-.163	188.000	.870
	Willing but needs help	-.685	.648	-	188.000	.292
				1.058		
	Potential rule breakers	1.121	1.252	.896	188.000	.372
	Rule breakers	.769	1.042	.738	188.000	.461
Can tell whether got correct change at shop	Unaware	.000	.	.	.	.
	Yes, easily	-	1.145	-	188.000	.192
	With difficulty or not at all	1.501	.	1.311	.	.

Table B.12 Factors predicting opinion of renewals deadline

	Parameter	B	Std. Error	Hypothesis Test		
				t	df	Sig.
too long	(Intercept)	-	1.089	-	188.000	.127
Ethnic group of main respondent 2 categories	White	1.669	.370	1.533	188.000	.212
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	.285	.211	1.347	188.000	.180
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	.113	.710	.159	188.000	.874
	Single: Working 0-15 hrs	.800	.647	1.237	188.000	.218
	Couple: Both working over 16 hrs	-.161	.681	-.236	188.000	.814
	Couple: One working over 16 hrs	.089	.608	.146	188.000	.884
	Couple: Both working 0-15 hrs	.000	.	.	.	.
	Whether self employed	Yes	.101	.290	.348	188.000	.728
Main respondent income varies	No	.000	.	.	.	.
	Not employed	-.402	.365	-	188.000	.272
	Income varies	.002	.219	.011	188.000	.991
Annual household income	Income does not vary	.000	.	.	.	.
	Up to £5,199 per annum	-	.635	-	188.000	.022
	£5,200 to £10,399 per annum	1.461	.423	2.302	188.000	.213

	annum			1.250		
	£10,400 to £25,999 per annum	-.348	.304	-	188.000	.253
	£26,000 to £41,599 per annum	-.098	.309	-.316	188.000	.752
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits receipt	WTC & CTC	-.034	.382	-.088	188.000	.930
	CTC only	-.060	.430	-.139	188.000	.890
	WTC only	.000	.	.	.	.
Length of tax credits receipt	1 year or less	-.397	.251	-	188.000	.115
	2-3 years	-.115	.269	-.427	188.000	.670
	4-5 years	-.105	.213	-.492	188.000	.623
	More than 5 years	.000	.	.	.	.
Literacy level	Can read and write	.027	.313	.087	188.000	.931
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	.142	.245	.579	188.000	.563
	Mid score	.239	.260	.918	188.000	.360
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	-.736	.310	-	188.000	.019
				2.370		
	Tend to have neutral views	.114	.214	.533	188.000	.595
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	.305	.204	1.495	188.000	.137
	Tend to have neutral views	.132	.251	.526	188.000	.599
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	-.055	.214	-.258	188.000	.797
	Willing but needs help	.190	.278	.684	188.000	.495
	Potential rule breakers	.505	.400	1.261	188.000	.209
	Rule breakers	-.227	.684	-.332	188.000	.740
	Unaware	.000	.	.	.	.
Time taken to renew tax credits	Less than 1 week	-.472	.227	-	188.000	.039
				2.078		
	1-2 weeks	-.389	.234	-	188.000	.098
	3-4 weeks	-.845	.305	-	188.000	.006
				2.771		
	1 month or longer	.000	.	.	.	.
Awareness of renewal deadline	Yes	.150	.231	.650	188.000	.516
	No	.000	.	.	.	.
Renewed after deadline	Renewed on time	-.726	.367	-	188.000	.049
				1.979		
	Renewed late	.000	.	.	.	.
Can tell whether got correct change at shop	Yes, easily	.160	.471	.340	188.000	.735
	With difficulty or not at all	.000	.	.	.	.
too short	(Intercept)	.233	1.416	.165	188.000	.869
Ethnic group of main respondent 2 categories	White	-.453	.393	-	188.000	.251
				1.151		
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	.086	.317	.273	188.000	.785
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	-.799	.648	-	188.000	.219
				1.234		
	Single: Working 0-15	-.409	.634	-.646	188.000	.519

	hrs					
	Couple: Both working over 16 hrs	.008	.654	.012	188.000	.991
	Couple: One working over 16 hrs	-.313	.636	-.491	188.000	.624
	Couple: Both working 0-15 hrs	.000	.	.	.	.
Whether self employed	Yes	.056	.366	.153	188.000	.879
	No	.000	.	.	.	.
Main respondent income varies	Not employed	.207	.444	.467	188.000	.641
	Income varies	.399	.318	1.255	188.000	.211
	Income does not vary	.000	.	.	.	.
Annual household income	Up to £5,199 per annum	.310	.604	.513	188.000	.608
	£5,200 to £10,399 per annum	-.465	.518	-.899	188.000	.370
	£10,400 to £25,999 per annum	-.307	.422	-.728	188.000	.467
	£26,000 to £41,599 per annum	-.828	.471	-	188.000	.081
	£41,600 or more per annum	.000	.	.	1.756	.
Type of tax credits receipt	WTC & CTC	.239	.476	.502	188.000	.616
	CTC only	.015	.515	.028	188.000	.977
	WTC only	.000	.	.	.	.
Length of tax credits receipt	1 year or less	.135	.332	.407	188.000	.684
	2-3 years	.006	.353	.017	188.000	.987
	4-5 years	-.135	.386	-.351	188.000	.726
	More than 5 years	.000	.	.	.	.
Literacy level	Can read and write	.236	.438	.538	188.000	.591
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	-.263	.337	-.779	188.000	.437
	Mid score	-.695	.441	-	188.000	.117
	Low score	.000	.	.	1.575	.
I am confident using a computer	Tend to disagree	-.013	.280	-.045	188.000	.964
	Tend to have neutral views	-	.343	-	188.000	.002
		1.079		3.149		
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	-.210	.366	-.575	188.000	.566
	Tend to have neutral views	-.097	.328	-.295	188.000	.768
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	.038	.381	.100	188.000	.920
	Willing but needs help	.694	.330	2.103	188.000	.037
	Potential rule breakers	.388	.560	.694	188.000	.489
	Rule breakers	-	1.080	-	188.000	.266
	Unaware	1.204	.	1.115	.	.
		.000	.	.	.	.
Time taken to renew tax credits	Less than 1 week	-.234	.374	-.625	188.000	.532
	1-2 weeks	-.076	.357	-.212	188.000	.832
	3-4 weeks	-.637	.437	-	188.000	.146
	1 month or longer	.000	.	.	1.458	.
Awareness of renewal deadline	Yes	-.782	.315	-	188.000	.014
				2.481		
	No	.000	.	.	.	.
Renewed after deadline	Renewed on time	-	.389	-	188.000	.008
		1.045		2.689		

	Renewed late	.000	.	.	.	.
Can tell whether got correct change at shop	Yes, easily	-.679	.653	-	188.000	.300
				1.040		
	With difficulty or not at all	.000	.	.	.	.

Table B.13 Factors predicting whether recipients thought changes to renewal process were required

	Parameter	B	Std. Error	Hypothesis Test		
				t	df	Sig.
	(Intercept)	-.727	.728	-9.99	188.000	.319
Ethnic group of main respondent 2 categories	White	.147	.259	.567	188.000	.571
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	.175	.176	.993	188.000	.322
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	-.056	.398	-.140	188.000	.889
	Single: Working 0-15 hrs	.642	.378	1.698	188.000	.091
	Couple: Both working over 16 hrs	.123	.403	.306	188.000	.760
	Couple: One working over 16 hrs	.196	.332	-.590	188.000	.556
	Couple: Both working 0-15 hrs	.000	.	.	.	.
Whether self employed	Yes	.012	.201	.061	188.000	.952
	No	.000	.	.	.	.
Main respondent income varies	Not employed	.238	.252	.948	188.000	.344
	Income varies	.118	.172	-.688	188.000	.492
Annual household income	Income does not vary	.000	.	.	.	.
	Up to £5,199 per annum	.940	.477	1.969	188.000	.050
	£5,200 to £10,399 per annum	.233	.315	-.738	188.000	.461
	£10,400 to £25,999 per annum	.387	.240	1.609	188.000	.109
	£26,000 to £41,599 per annum	.058	.242	-.238	188.000	.812
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits receipt	WTC only	.669	.320	2.089	188.000	.038
	CTC only	.968	.318	3.043	188.000	.003
	WTC & CTC	.000	.	.	.	.
Length of tax credits receipt	1 year or less	.260	.199	1.309	188.000	.192
	2-3 years	.189	.210	-.900	188.000	.369
	4-5 years	.153	.144	1.065	188.000	.288
	More than 5 years	.000	.	.	.	.
Literacy level	Can read and write	.317	.226	1.407	188.000	.161
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	.073	.171	.428	188.000	.669
	Mid score	.180	.227	.795	188.000	.428
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	-.190	.190	-.685	188.000	.494

		.130				
	Tend to have neutral views	-	.194	- .990	188.000	.323
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	-	.156	-	188.000	.020
		.367		2.351		
	Tend to have neutral views	-	.208	-	188.000	.313
	Tend to agree	.210	.	1.012	.	.
Customer Segmentation group	Willing and able	-	.176	- .073	188.000	.942
		.013	.	.	.	.
	Willing but needs help	.043	.216	.199	188.000	.842
	Potential rule breakers	.351	.352	.998	188.000	.320
	Rule breakers	.278	.445	.626	188.000	.532
	Unaware	.000	.	.	.	.
Time taken to renew tax credits	Less than 1 week	-	.196	-	188.000	.003
		.592		3.016		
	1-2 weeks	-	.189	-	188.000	.194
		.246	.	1.303	.	.
	3-4 weeks	-	.210	-	188.000	.187
		.278	.	1.324	.	.
	1 month or longer	.000	.	.	.	.
Awareness of renewal deadline	Yes	-	.167	- .941	188.000	.348
		.157	.	.	.	.
	No	.000	.	.	.	.
Renewed after deadline	Renewed on time	-	.267	-	188.000	.162
		.375	.	1.406	.	.
	Renewed late	.000	.	.	.	.
Can tell whether got correct change at shop	Yes, easily	.001	.315	.003	188.000	.998
	With difficulty or not at all	.000	.	.	.	.

Table B.14 Factors predicting when changes of circumstances reported

	Parameter	B	Std. Error	Hypothesis Test		
				t	df	Sig.
Did not notify HMRC of change	(Intercept)	-.253	.966	-.262	188.000	.794
Ethnic group of main respondent 2 categories	White	.028	.330	.086	188.000	.932
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	.247	.253	.977	188.000	.330
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	-.736	.602	-	188.000	.223
				1.224		
	Single: Working 0-15 hrs	-.804	.626	-	188.000	.201
				1.284		
	Couple: Both working over 16 hrs	-.216	.615	-.352	188.000	.726
	Couple: One working over 16 hrs	-.044	.543	-.081	188.000	.935
Whether self employed	Couple: Both working 0-15 hrs	.000	.	.	.	.
	Yes	.120	.275	.438	188.000	.662
	No	.000	.	.	.	.
Main respondent income varies	Not employed	-.730	.320	-	188.000	.024
				2.280		
	Income varies	.227	.224	1.014	188.000	.312
	Income does not vary	.000	.	.	.	.

Annual household income	Up to £5,199 per annum	-395	.556	-.710	188.000	.479
	£5,200 to £10,399 per annum	-.841	.377	-	188.000	.027
	£10,400 to £25,999 per annum	-	.260	-	188.000	.000
	£26,000 to £41,599 per annum	1.008	.3877	-	188.000	.010
	£41,600 or more per annum	-.693	.265	-	188.000	.010
Type of tax credits receipt	WTC only	.000	.	.	.	.
	CTC only	-.007	.338	-.021	188.000	.983
	WTC & CTC	.211	.373	.564	188.000	.573
Length of tax credits receipt	1 year or less	.000	.	.	.	.
	2-3 years	-.151	.215	-.701	188.000	.484
	4-5 years	.341	.243	1.399	188.000	.163
	More than 5 years	.031	.232	.134	188.000	.893
Literacy level	Can read and write	.000	.	.	.	.
	Cannot either read or write	.411	.335	1.226	188.000	.222
Financial capability score	High score	-.495	.224	-	188.000	.029
	Mid score	2.205				
	Low score	-.344	.276	-	188.000	.214
I am confident using a computer	Tend to disagree	.000	.	.	.	.
	Tend to have neutral views	-.540	.263	-	188.000	.041
	Tend to agree	2.053				
I often need help understanding official forms	Tend to disagree	-.655	.277	-	188.000	.019
	Tend to have neutral views	2.367				
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	-.161	.230	-.700	188.000	.485
	Willing but needs help	-.183	.282	-.652	188.000	.515
	Potential rule breakers	.000	.	.	.	.
	Rule breakers	.028	.246	.113	188.000	.910
Notified of change but not at renewals	Unaware	-.099	.261	-.380	188.000	.704
	(Intercept)	-.913	.557	-	188.000	.103
Ethnic group of main respondent 2 categories	White			1.641		
	Non-white	.938	.535	1.754	188.000	.081
At least one adult in family with long-standing illness or disability	Yes	.000	.	.	.	.
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	-	.678	-	188.000	.070
	Single: Working 0-15 hrs	1.238		1.825		
	Couple: Both working over 16 hrs	.514	.218	2.359	188.000	.019
	Couple: One working over 16 hrs	.000	.	.	.	.
	Couple: Both working 0-15 hrs	.000	.	.	.	.
Whether self employed	Yes	-.065	.176	-.368	188.000	.713
	No	.000	.	.	.	.
Main respondent income varies	Single: Working over 16 hrs	-.742	.395	-	188.000	.062
	Single: Working 0-15 hrs	-.349	.347	-	188.000	.316
	Couple: Both working over 16 hrs	-.856	.394	-	188.000	.031
	Couple: One working over 16 hrs	2.171				
Whether self employed	Yes	-.717	.358	-	188.000	.046
	No	.000	.	.	.	.
Main respondent income varies	Not employed	.037	.204	.179	188.000	.858
	Not employed	.000	.	.	.	.
		-.261	.244	-	188.000	.286
				1.069		

	Income varies	.025	.169	.150	188.000	.881
	Income does not vary	.000	.	.	.	.
Annual household income	Up to £5,199 per annum	.186	.372	.500	188.000	.617
	£5,200 to £10,399 per annum	-.058	.290	-.198	188.000	.843
	£10,400 to £25,999 per annum	.222	.226	.983	188.000	.327
	£26,000 to £41,599 per annum	.293	.229	1.281	188.000	.202
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits receipt	WTC only	.971	.274	3.549	188.000	.000
	CTC only	.598	.318	1.881	188.000	.061
	WTC & CTC	.000	.	.	.	.
Length of tax credits receipt	1 year or less	.204	.164	1.245	188.000	.215
	2-3 years	.349	.197	1.774	188.000	.078
	4-5 years	.253	.154	1.639	188.000	.103
	More than 5 years	.000	.	.	.	.
Literacy level	Can read and write	.235	.184	1.278	188.000	.203
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	-.213	.164	-	188.000	.196
				1.298		
	Mid score	-.345	.186	-	188.000	.065
				1.856		
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	-.380	.184	-	188.000	.041
				2.060		
	Tend to have neutral views	-.115	.168	-.689	188.000	.492
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	.090	.165	.544	188.000	.587
	Tend to have neutral views	.222	.176	1.260	188.000	.209
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	-.101	.154	-.657	188.000	.512
	Willing but needs help	-.206	.198	-	188.000	.301
				1.038		
	Potential rule breakers	-.371	.321	-	188.000	.250
				1.154		
	Rule breakers	-.090	.446	-.201	188.000	.841
	Unaware	.000	.	.	.	.
Notified HMRC of change at renewals	(Intercept)	-.658	.718	-.916	188.000	.361
Ethnic group of main respondent 2 categories	White	.099	.209	.475	188.000	.636
	Non-white	.000	.	.	.	.
At least one adult in family with long-standing illness or disability	Yes	-.174	.194	-.894	188.000	.372
	No	.000	.	.	.	.
Employment status and household type	Single: Working over 16 hrs	-.613	.461	-	188.000	.185
				1.330		
	Single: Working 0-15 hrs	-.775	.420	-	188.000	.066
				1.846		
	Couple: Both working over 16 hrs	-.289	.459	-.628	188.000	.531
	Couple: One working over 16 hrs	-.039	.384	-.102	188.000	.919
	Couple: Both working 0-15 hrs	.000	.	.	.	.
Whether self employed	Yes	-.142	.193	-.737	188.000	.462
	No	.000	.	.	.	.
Main respondent income varies	Not employed	-.189	.262	-.722	188.000	.471

	Income varies	.001	.165	.004	188.000	.996
	Income does not vary	.000	.	.	.	.
Annual household income	Up to £5,199 per annum	-.171	.381	-.449	188.000	.654
	£5,200 to £10,399 per annum	-.279	.280	-.995	188.000	.321
	£10,400 to £25,999 per annum	-.115	.231	-.499	188.000	.618
	£26,000 to £41,599 per annum	-.371	.235	-	188.000	.116
	£41,600 or more per annum	.000	.	.	.	.
Type of tax credits receipt	WTC only	.710	.239	2.975	188.000	.003
	CTC only	.503	.272	1.851	188.000	.066
	WTC & CTC	.000	.	.	.	.
Length of tax credits receipt	1 year or less	-.093	.153	-.605	188.000	.546
	2-3 years	.295	.170	1.737	188.000	.084
	4-5 years	.097	.149	.652	188.000	.515
	More than 5 years	.000	.	.	.	.
Literacy level	Can read and write	.227	.239	.952	188.000	.342
	Cannot either read or write	.000	.	.	.	.
Financial capability score	High score	.205	.171	1.197	188.000	.233
	Mid score	.187	.204	.916	188.000	.361
	Low score	.000	.	.	.	.
I am confident using a computer	Tend to disagree	-.106	.168	-.632	188.000	.528
	Tend to have neutral views	-.259	.172	-	188.000	.133
	Tend to agree	.000	.	.	.	.
I often need help understanding official forms	Tend to disagree	.085	.157	.541	188.000	.589
	Tend to have neutral views	.111	.162	.689	188.000	.492
	Tend to agree	.000	.	.	.	.
Customer Segmentation group	Willing and able	-.259	.151	-	188.000	.087
	Willing but needs help	-.314	.187	-	188.000	.094
	Potential rule breakers	-.656	.324	-	188.000	.045
	Rule breakers	.446	.449	.994	188.000	.322
	Unaware	.000	.	.	.	.