

**Research Report Number 95**

**HMRC Customer Service Survey 2007**

**Overview Report: businesses and individuals**

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## Glossary

CATI – Computer Assisted Telephone Interviewing

CIS – Construction Industry Scheme

PAYE – Pay As You Earn

PSA – Public Service Agreement

SA – Self Assessment

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

## Reporting conventions

In tables, the following conventions have been used:

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

Interviewing quotas are set to ensure good coverage of key subgroups. The data within each customer group (except for PAYE non-SA and Agents) has been weighted back to naturally occurring proportions in the quota variable, with the aim of making the figures

reflect the profile of the wider population. The figures in all tables and the charts (other than the base) are weighted unless stated otherwise.

## Summary

Perceptions of HMRC performance were encouraging for both individuals and businesses across most issues. Around eight in ten of most customer groups were satisfied with the service they had received in the past year, with slightly lower levels of satisfaction only for Agents, International Trade, corporates and PAYE non SA customers. Among the self employed, SME employers and Child Benefit recipients, nine in ten customers were satisfied.

Since performance levels were encouraging, it is useful to consider relative levels of performance: are there particular customer groups where performance is less highly rated, and are there particular issues where performance is improving or worsening? The six dimensions of HMRC customer experience that had been identified by HMRC were included in the survey and form the focus of this analysis.

Amongst businesses, there was strongest and most consistent performance for VAT customers, SME employers and CIS traders, with the weakest relative performance for agents, International Trade customers and corporates. The performance for CIS traders was encouraging given the changes to the scheme in 2007 and, despite a relatively poor performance; there were signs of improvement for large corporates. There was generally some room for improvement for most other business groups, but most evidence of consistent improvement for the self employed.

Across business customers, there was most improvement in performance on two of the key dimensions of experience, but also evidence of a decline on these same issues for some groups:

- “I feel you make it easy” (improvements for CIS and large corporates, with a decline for International Trade and agents)
- “I know what I have to do” (improvements for CIS, self employed, SME employers and large corporates, with a decline for Agents, SME corporates and large VAT traders)

There was little change in performance for the remaining customer experience dimensions, with only the self employed showing any improvement for “I feel well treated”. There was a decline in performance for Agents and large employers for “I can contact you easily” and for Excise customers and Agents for “I rely on you to get it right and I am confident I have got it right”.

For individuals, performance was strongest and fairly consistent for Child Benefit recipients and there was also a stable and relatively strong performance for Tax Credit recipients. There was some room for improvement for PAYE SA customers but with signs

that some things (making things easy, and feeling well treated) are beginning to improve. There was a mixed performance for pensioners with the weaker areas declining further, (knowing what to do, ease of contact and being confident they have got things right). The weakest performance was among PAYE non SA customers, with all areas worsening or, at best, stable.

For individuals, performance on “I feel you make it easy” was stable or improving for all but PAYE non SA customers.

Performance was more mixed for:

- “I can contact you easily/get answers” (improving for Child Benefit recipients, declining for pensioners and PAYE SA customers)
- “I feel well treated” ( increasing for PAYE SA customers and Tax Credit recipients, but declining for PAYE non-SA)

Performance was stable or declining for:

- “I know what I have to do” (declining for pensioners and Child Benefit recipients)
- “I rely on you to get it right/am confident I get it right (declining for pensioners and PAYE non SA customers.

# 1 Background

HM Revenue & Customs (HMRC) was formed on the 18 April 2005, following the merger of the Inland Revenue and HM Customs and Excise. It is responsible for collecting the bulk of UK tax revenue, paying Tax Credits and Child Benefits, and strengthening UK frontiers.

The aim of HM Revenue & Customs is to administer the tax and control systems fairly and efficiently and make it as easy as possible for individuals and businesses to understand and comply with their obligations and receive their entitlements.

HMRC's customers (covering both businesses and individuals) include those paying direct taxes on money earned or capital gained (e.g. Income Tax, Corporation Tax), and also those paying indirect taxes on goods and services (e.g. VAT, Excise duties). In addition, some customers are in receipt of benefits paid and administered by HMRC (e.g. Child Benefit, Tax Credits).

The customer and customer service are at the core of what HMRC stand for as stated in the Departmental Report "Integrating and Growing Stronger" in spring 2007:

- At HMRC we know most people and businesses want to do what's right – to pay what they own and claim only what they're due.
- We are committed to making it as easy as possible for our customers (taxpayers, claimants and others) to get it right.
- We protect society by dealing firmly with anyone who intentionally avoids their responsibilities.

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

Contact-based service covers a range of communication channels (e.g. telephone, internet, face to face and written contact). The channels used vary by customer and their information needs. For example, for general information a customer may visit the website whilst, for queries about their personal situation, they may use the telephone. Enquiry Centres tend to be used more extensively by individuals and the telephone used by all customers, whilst some businesses may deal directly with HMRC staff.



Within this framework of customer focus, HMRC has run a large scale annual Customer Service Survey (CSS) for a number of years, with the final survey in 2007. For the purpose of the survey, customers are defined according to a particular process they deal with (e.g. Corporation Tax, Tax Credits etc). The CSS covers 13 key customer groups (see section 1.2 for details).

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

In addition the 2007 CSS will provide the final Departmental outturns for three of the Spending Review 2004 (SR04) PSA 2 customer perception Key Indicators:

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

Results against these targets were reported in the Departmental Annual Report and are not therefore the focus of this document.

## 1.1 Aims of survey

The 2007 Customer Service Survey (CSS) had three key objectives:

- To help HM Revenue and Customs (HMRC) measure individual and business customers' perceptions of the service they experience from the Department
- To enable the Department to understand how it is progressing towards becoming a more customer focused organisation
- To provide the final measures against selected Key Indicators that feed into the HMRC Customer Experience PSA Objective 2

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

## 1.2 Method

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

Businesses:

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

Individuals:

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

In total, 18,990 interviews were conducted among HMRC business and individual customers in 2007. Interviewing took place in October and November 2007 and between 989 and 1750 interviews were conducted with customers in each of the thirteen customer groups (see appendix for details of achieved interviews for each group). The interviews were conducted using Computer Assisted Telephone Interviewing (CATI) and each interview typically lasted between 10 and 20 minutes.<sup>1</sup>

The questionnaires used to interview customers in each of the thirteen groups were similar in structure and were divided into two parts. The first part looked at the processes that customers have to undertake for the Department, for example completing the forms and making payments relevant to each customer group. The second part of the questionnaire asked about the contact that customers had with the Department over the previous 12 months with regard to these tasks. Whilst customers may belong to more than one of the thirteen groups, they were only asked about the processes relating to one

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<sup>1</sup> The Ministerial announcement on the Child Benefit data loss to the House of Commons took place on 20 November. This took place two days before the final survey fieldwork interviews were complete. (The vast majority of interviews took place well in advance of the 20<sup>th</sup> November.)

group (e.g. customers sampled as corporates were only asked about Company Tax processes). The second part of the questionnaire asked about the contact that customers had with the Department over the previous twelve months with regard to these tasks.

This survey used quota sampling, with interviewing quotas being set on factors which were seen to be the most likely to affect response. This ensured that groups that are harder to reach, such as large businesses, were adequately represented in the survey. The data within each customer group (except for PAYE non-SA and Agents) was weighted with the aim of making the survey results reflect the profile of the wider population in terms of the quota variable<sup>2</sup>. For example, in the employer customer group quotas were set according to the number of employees to ensure enough interviews were carried out with businesses of a range of sizes. The final data were then weighted back to the size profile of all employers. Sample was selected from HMRC's own customer databases for all groups except employers, corporates and agents. Sample for these groups was sourced from a commercial database.

For the purposes of this survey, employers and corporates identified as having less than 250 employees were defined as SMEs (Small and Medium Enterprise), and those with 250 employees or more were defined as large businesses. Organisations registered for VAT with a turnover below £1,000,000 were defined as SMEs (Small and Medium Enterprise), and those with a turnover of £1,000,000 or greater were defined as large. All results are shown separately for these SMEs and large organisations for these three business customer groups.

### **1.3 Structure of this report**

This report gives an overview of findings covering all thirteen customer groups. It focuses on customer satisfaction with the service they receive from HMRC, and drivers of satisfaction, together with findings relating to key dimensions of HMRC's customer service. Where measures are used as Key Indicators of HMRC performance, this is indicated. The appendices give details of the definitions of the customer groups surveyed and the number of interviews achieved with each of these groups in 2007.

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<sup>2</sup> Since quota sampling was used, there may be non-response bias in terms of variables other than those used as quotas.



## 2 Key results

This report gives an overview of the survey findings across all customer groups for 2007. This first section focuses on customer satisfaction with HMRC in their dealings with the Department concerning the process that they were interviewed about (e.g. Self Assessment, Corporation Tax etc).

### 2.1 What customers think about dealing with HMRC: satisfaction

The first section focuses on satisfaction with HMRC in customer dealings about the specific process that they deal with. It must be recognised that satisfaction is a subjective measure and likely to be influenced by outcome. For example, those who get a repayment from the Department are more likely to be satisfied than those who end up owing money, even if both receive the same service. Similarly, expectations will also affect satisfaction. The same service will be differently rated depending on the level of service the customer was expecting to receive. As a result, satisfaction measures should not be used as the key measure of customer service. Instead, the survey collects more objective ratings of customer experience that are known from previous research to influence satisfaction.

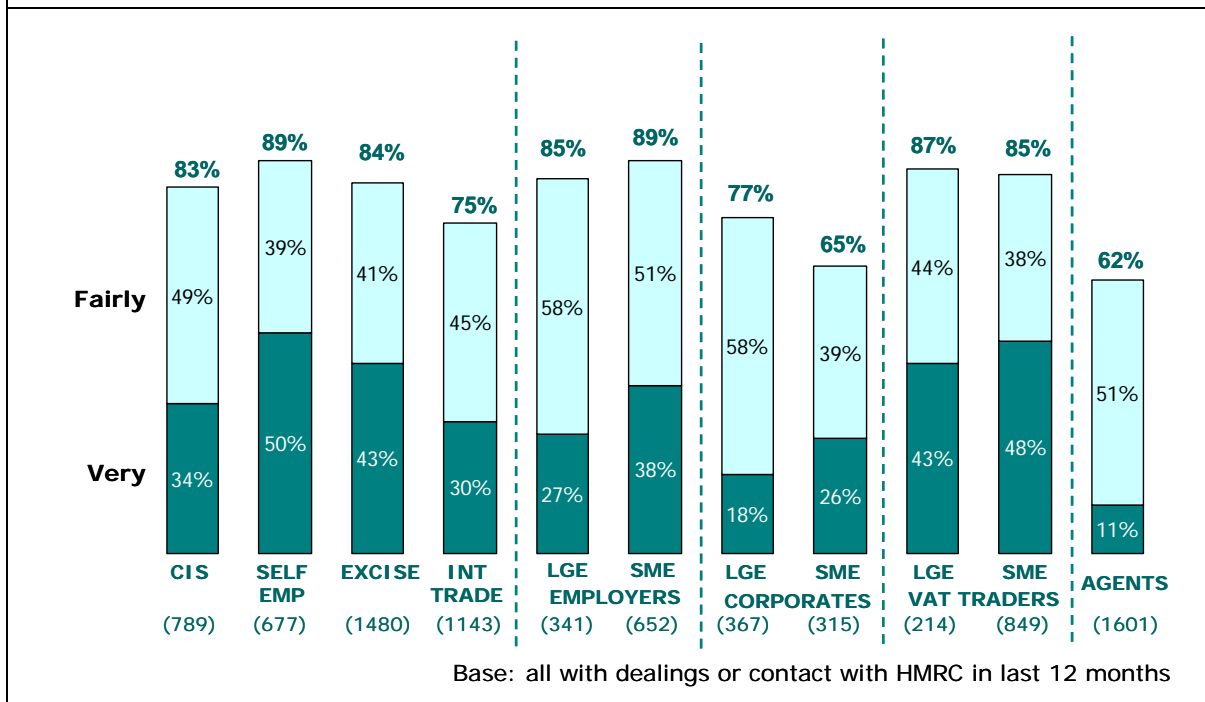
Previous research<sup>3</sup> has shown that some of those who are “fairly satisfied” with a service tend to have experienced some difficulty during that service – they are likely to have reached the desired outcome, but may not have been completely satisfied with the way this was achieved. Therefore, whilst it is interesting to look at overall satisfaction (taking the results for customers who say they are fairly satisfied and very satisfied together) it is particularly important to look at customers who are *very* satisfied and seek to increase this.

In terms of overall satisfaction, around eight in ten of most customer groups said they were very or fairly satisfied, with between a quarter and a half very satisfied (Figures 2.1 and 2.2).

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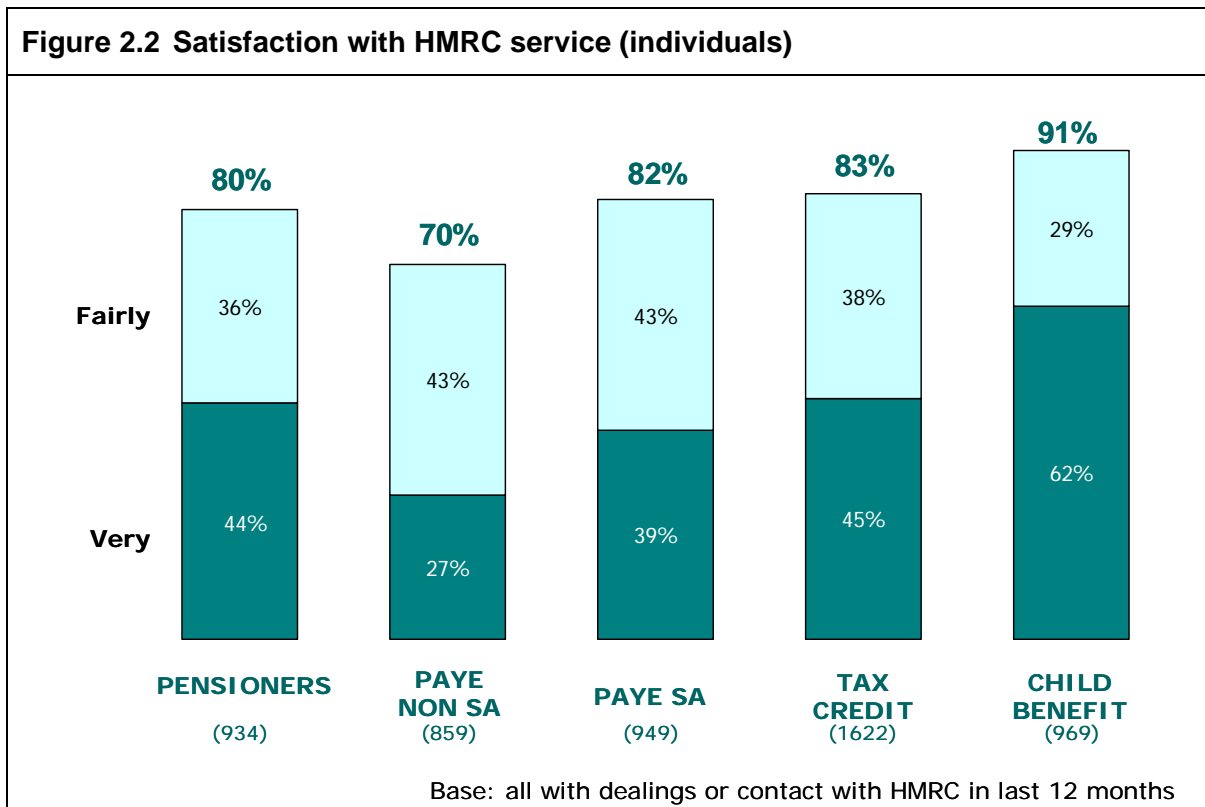
<sup>3</sup> Elam, G & Ritchie, J, Exploring Customer Satisfaction, 1997, DSS research report 63.

Figure 2.1 Satisfaction with HMRC service (businesses)



Among businesses at least eight in ten in most customers groups were very or fairly satisfied with the service they had received. Levels of satisfaction were lowest for Agents (62% down from 68% in 2006), International Trade (75%) and corporates (65% for SMEs and 77% for large, up from 70% in 2005). They were highest for VAT traders, at 87% for large VAT traders and 85% for SME VAT traders (back down to 2005 levels after a rise to 92% in 2006).

Levels were also high for employers, particularly SME employers (89% up from 84% in 2005) and for the self employed (89%). Self employed had the highest proportion of very satisfied. At 50%, this represented an increase from 43% in 2006.



Among individuals, the majority of all customer groups were also satisfied with the service they had received (Figure 2.2). Child Benefit recipients were most satisfied (91%, with 62% very satisfied). The survey was carried out just before the Chancellor's announcement about the loss of Child Benefit data, and therefore reflects views prior to this event. Satisfaction was lowest for PAYE non-SA customers at 70%, down from 76% in 2006, and only 27% were very satisfied. Very few, however, expressed dissatisfaction (4%) and this lower level of satisfaction was driven by more customers being unable to give an opinion. This is perhaps not surprising as this group has least need to engage with HMRC.

Satisfaction for all other individual customer groups was eight in ten or above, remaining stable for PAYE SA customers and Tax Credit recipients following a slight increase in 2006. Eight in ten pensioners were satisfied, and this was a return to 2005 levels after a slight rise in 2006 to 87%. This drop was driven by a fall in satisfaction for non SA pensioners.

The remainder of this report will focus on the dimensions of customer experience that are known, from previous research, to feed into satisfaction.

## 2.2 Dimensions of customer experience

Six key dimensions of HMRC customer experience have been identified by HMRC. These dimensions form the focus of the remaining sections of this report. The CSS was designed

before these dimensions were developed, but a combination of existing and new questions enabled them to be covered fully in the 2007 survey. The diagram below shows the main measures covered in this report from the 2007 survey that relate to each key dimension<sup>4</sup>.



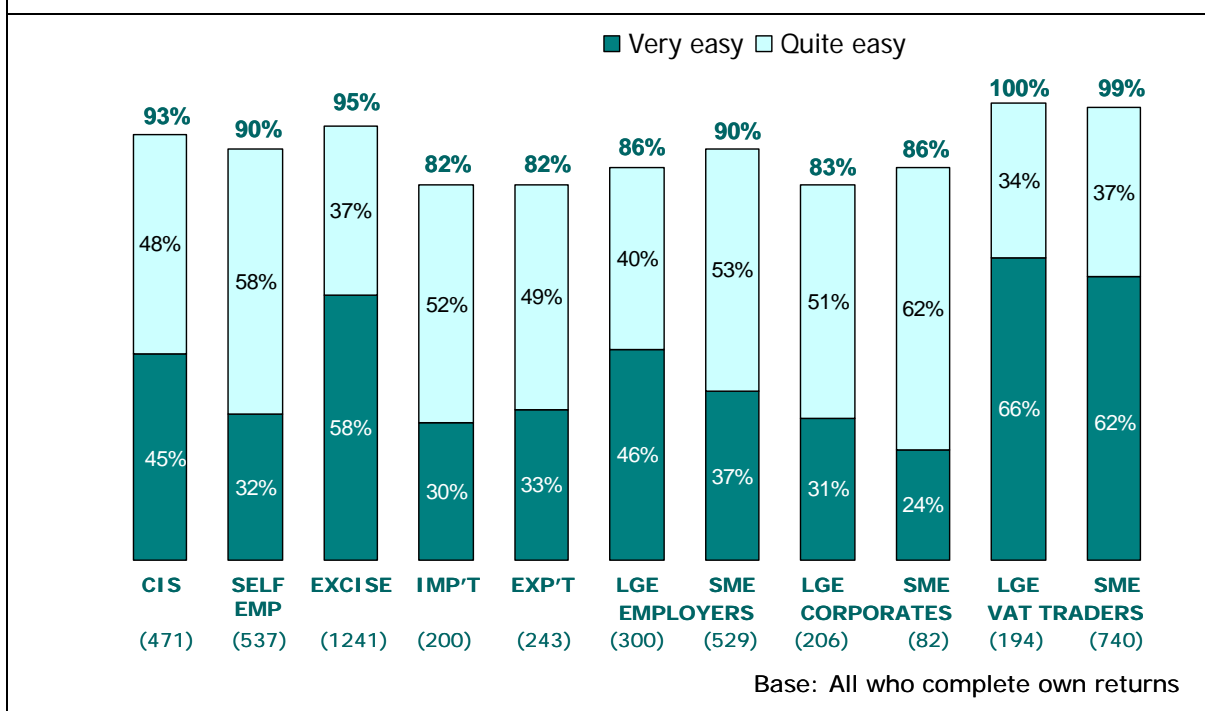
### 2.2.1 Making things easy

The first of the key dimensions is whether customers believe HMRC makes things easy. This is linked to the aim of HMRC to make it as easy as possible for customers to get things right. This section addresses the question of what customers think about the returns they have to complete, and dealing with HMRC more generally.

Among businesses, at least eight in ten customers found their return easy to complete (Figure 2.3). This is a Key Indicator of HMRC performance for small employers, self employed and small VAT traders. Almost all Excise (95%) and VAT customers (all large VAT and 99% of SMEs) found their returns easy to complete with around six in ten finding them very easy.

<sup>4</sup> There are many more measures in the survey which are not included in this section as it focuses on the key results only.



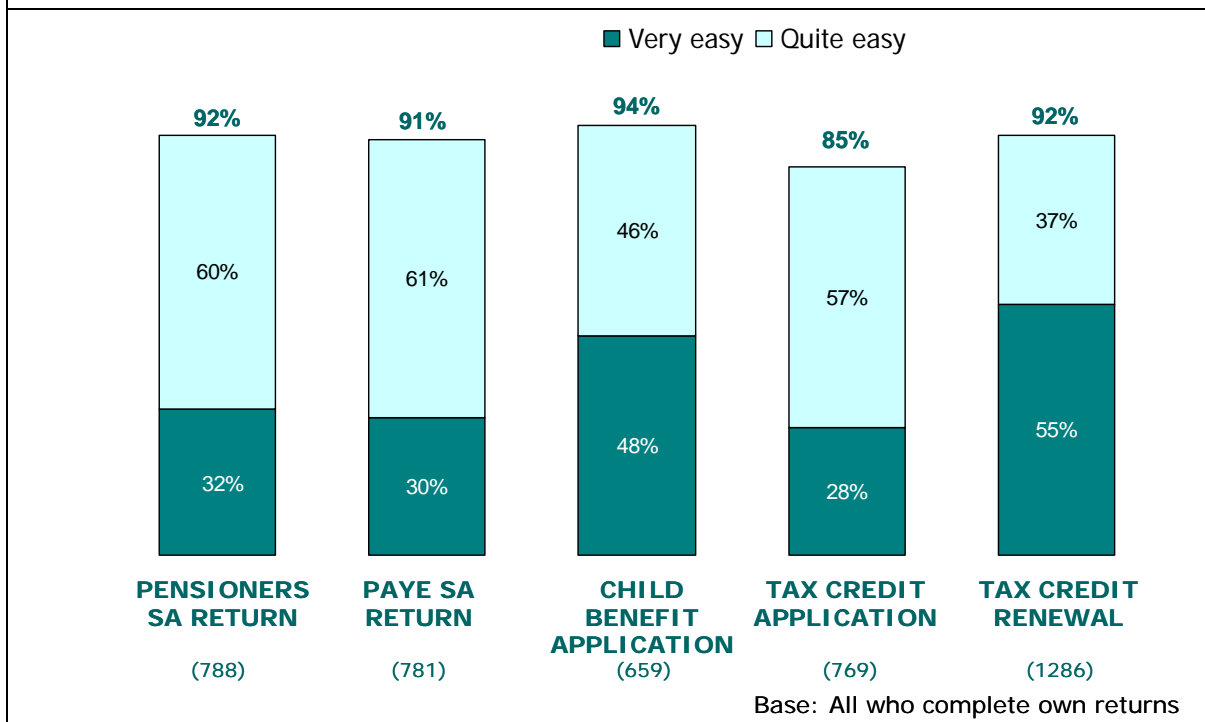
**Figure 2.3 Ease of completing main return (businesses)**

Note: caution low base size for SME corporates, as it means that this score is more prone to error.

International Trade customers were least likely to find their returns easy to complete at 82% for both import and export traders, with a decrease from 91% in 2006 for those completing the export return. Corporates were also less likely than other customers to find their returns easy, particularly large corporates (83%) although this had increased from 75% in 2005. Whilst most employers found their end of year returns easy to complete, this had declined for large employers from 94% in 2004 to 86% in 2007.

Most business customers felt that overall, the ease of dealing with HMRC had stayed the same in the past year. CIS customers were most likely to feel things had got easier (33%, up from 21% in 2006), driven by an increase for contractors to 47%. The changes to the CIS regime may have contributed to this perceived increase in ease. They were, however, also slightly more likely than in 2006 to believe things were harder (14% of CIS customers up from 8%). Agents were the group most likely to believe things had got harder (33%) and this had increased from 2006 (22%).

Compared with 2006 there had been a shift for SME employers, International Trade customers and large VAT traders away from thinking things had become easier, towards feeling things had remained the same.

**Figure 2.4 Ease of completing main return (individuals)**

Around nine in ten individual customers found their return easy to complete (Figure 2.4). Over nine in ten of those completing Child Benefit applications and Tax Credit renewals found them easy, with around half finding them very easy to complete, stable from 2006. In contrast, the Tax Credit application was seen as less easy to complete (85% with only 28% very easy).

Nine in ten PAYE SA customers (91%) thought the SA return was easy to complete, up from 87% in 2006, although there was no increase in the proportion finding it very easy (30%). Those completing the Short Tax Return and those filing online were most likely to find it easy to complete. Similar numbers of pensioners found the SA return easy to complete with no change over time.

For individuals, a further measure used as a Key Indicator of HMRC performance is customers' ease of understanding their SA Statements, Tax Code Notice and Tax Credit award notices<sup>5</sup>. The majority of all groups found their Tax Code Notice easy to understand. PAYE SA customers (82%) and pensioners (81% up from 77% in 2006) were most likely to find it easy to understand. PAYE non-SA customers were again in 2007 least likely to find the Tax Code Notice easy to understand (75% continuing the downward trend from 84% in 2004).

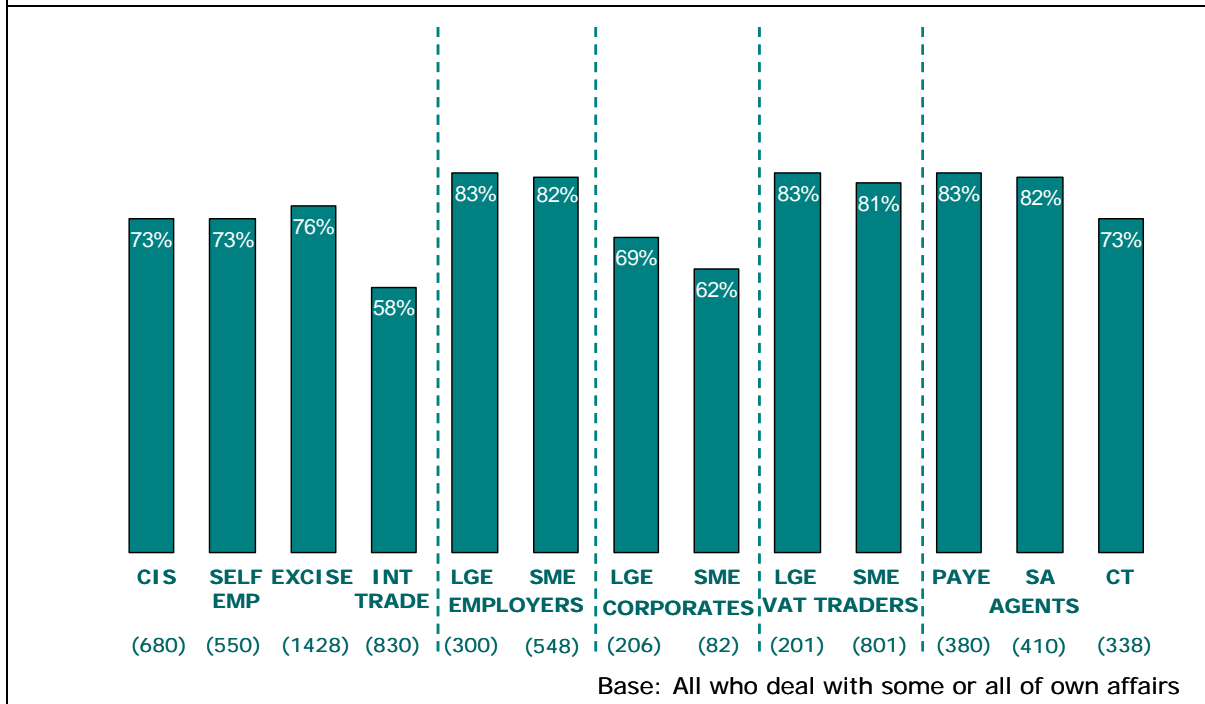
<sup>5</sup> Self employed customers' understanding of the SA statement also feeds into this Key Indicator

Most SA customers found their SA Statement easy to understand (86% of pensioners, 86% of PAYE customers). This represented a recovery for SA pensioners from 81% and an increase for PAYE customers from 79% in 2006. Eight in ten (82%) Tax Credit recipients who recalled receiving their Tax Credit award notice found their award notice easy to understand.

### 2.2.2 Knowing what to do

The next key dimension is whether customers know what to do. This links into the need to provide clear guidance, and offer certainty to customers wherever possible. This section addresses the questions of how well customers feel that they know what to do when they deal with HMRC, and how well this is communicated to them. The first element of this is whether the written forms and guidance provide enough support for customers (Figures 2.5 and 2.6).

**Figure 2.5 Whether got enough support from forms and guidance (businesses)**

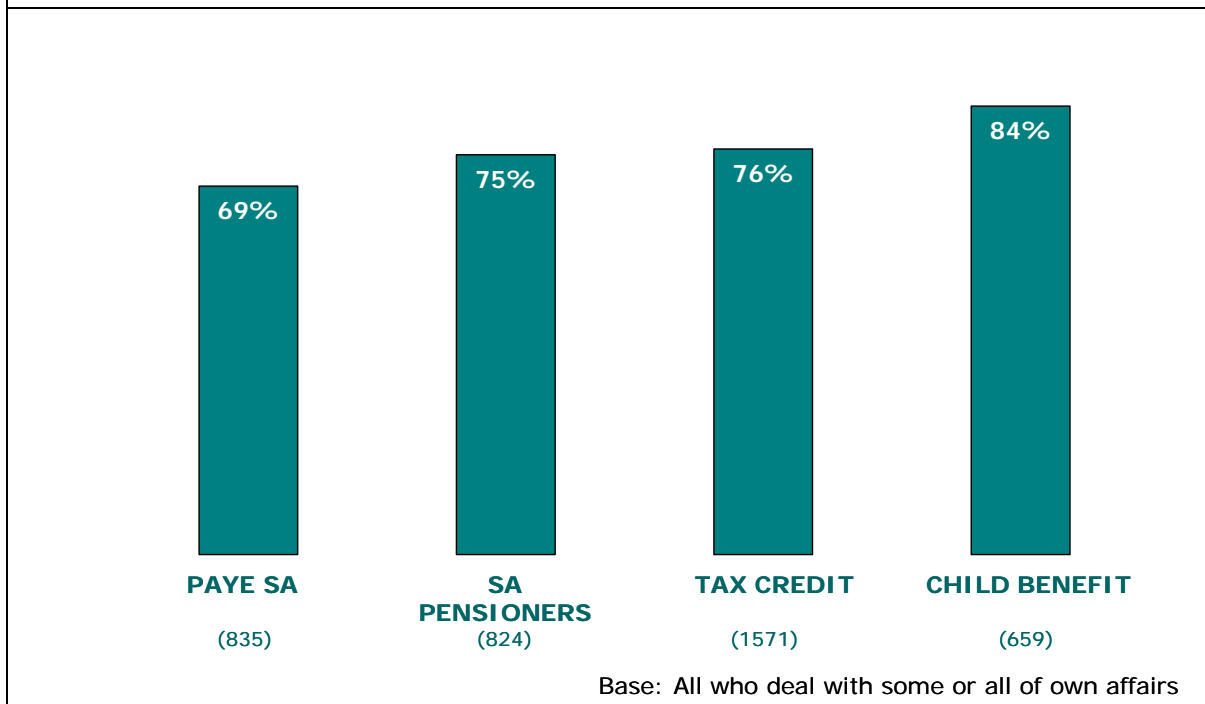


As in 2006, agents dealing with payroll (83%) and agents dealing with Self Assessment for the self employed (82%) were most likely to feel they had enough support, along with VAT traders (83% for large, 81% for SMEs), and employers (83% for large, 82% for SMEs).

Again as in 2006, International Traders were among the least likely to feel they had enough support from the forms and guidance (58%) as were corporates, although there had been an increase for large corporates (62% SMEs, 69% large up from 56% in 2005).

There was a recovery for the self employed to 73%, following the fall to 65% in 2006. Those completing the Short Tax Return were most likely to agree.

**Figure 2.6 Whether got enough support from forms and guidance (individuals)**



There was some variation in Individuals perceptions across types of HMRC dealing (Figure 2.6). Child Benefit recipients were most likely to feel they get enough support from forms and guidance (84%). The level was lower at three in four Tax Credit recipients and SA pensioners, and lowest at two in three PAYE SA customers. This level was stable for Tax Credit recipients after an increase in 2006.

There was the same pattern of differences for the ease of understanding the guidance that came with the forms: highest for Child Benefit at 86% finding it easy (down slightly from 90% in 2006), lowest at 75% for PAYE SA customers, stable after a drop in previous years. There had been a slight decrease for both SA pensioners and PAYE SA since 2006 in the proportions finding it very easy to understand, both dropping from one in four to one in five.

Whether customers know what to do will be affected by how well HMRC communicates with them. Around seven to eight in ten business customers believed that HMRC communicates effectively, although there had been decreases for a number of groups. Levels were highest for VAT (77% SMEs, 75% large, down from 85% in 2006), CIS (79% up from 73% in 2006), and the self employed (81%), they were lowest for corporates (60% large, 60% SMEs, down from 69% in 2006), and agents (51% down from 59% in 2006). There had also been decreases from 2006 levels for Excise customers (74% down from 81%) and SME employers (73% down from 78%).

Results were at similar levels among individuals. Child Benefit recipients (85%) were most likely to believe HMRC communicates effectively, with PAYE SA customers (75%) and pensioners (77% back down from 85% in 2006) least likely. Following increases in 2006, results had stabilised for PAYE SA customers (75%) and for Tax Credit recipients (79%).

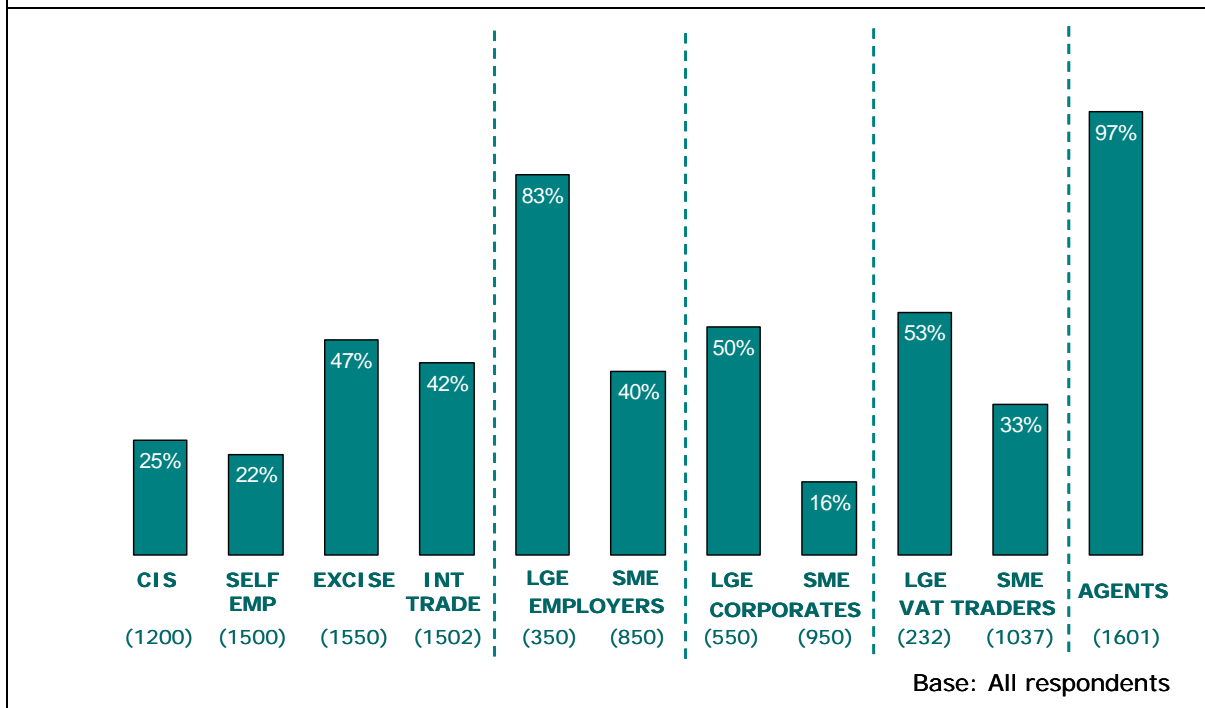
A final indication of how well HMRC communicates is whether customers make contact because they do not understand something sent to them by HMRC.

Among businesses this tended to be the second most common reason given for contact with all businesses most likely to make contact with a general query (from four to six in ten of those with contact). The customer groups most likely to need help to understand something sent to them were large corporates (17%), large VAT traders (19%) Excise customers (20%) CIS customers (21%) and International Traders (17%). Certain groups were also more likely than others to need help to complete something sent to them by HMRC, including International Traders (19%), the self employed (19%), CIS customers (18%), Excise customers (18%) and SME corporates (17%). Agents were the group most likely to be chasing progress (23%).

For the majority of individual customer groups a general query was the most cited reason for contact (a half of pensioners, PAYE non SA and Child Benefit recipients with contact, and a third of PAYE SA customers and Tax Credit recipients). Tax Credit recipients, however, were most likely to make contact about a change in circumstances (49%), and this was also a common prompt for Child Benefit recipients (41%). Pensioners were more likely than other groups to need help to understand something they had received (29%) with around one in five PAYE non SA customers (21%) and Tax Credit recipients (19%) citing this reason. PAYE SA customers were equally likely to need help understanding something sent to them (24%) or help to complete something sent to them (25%). Child Benefit recipients were least likely to need help understanding (13%) or completing (10%) something.

### **2.2.3 Contacting HMRC easily and getting answers**

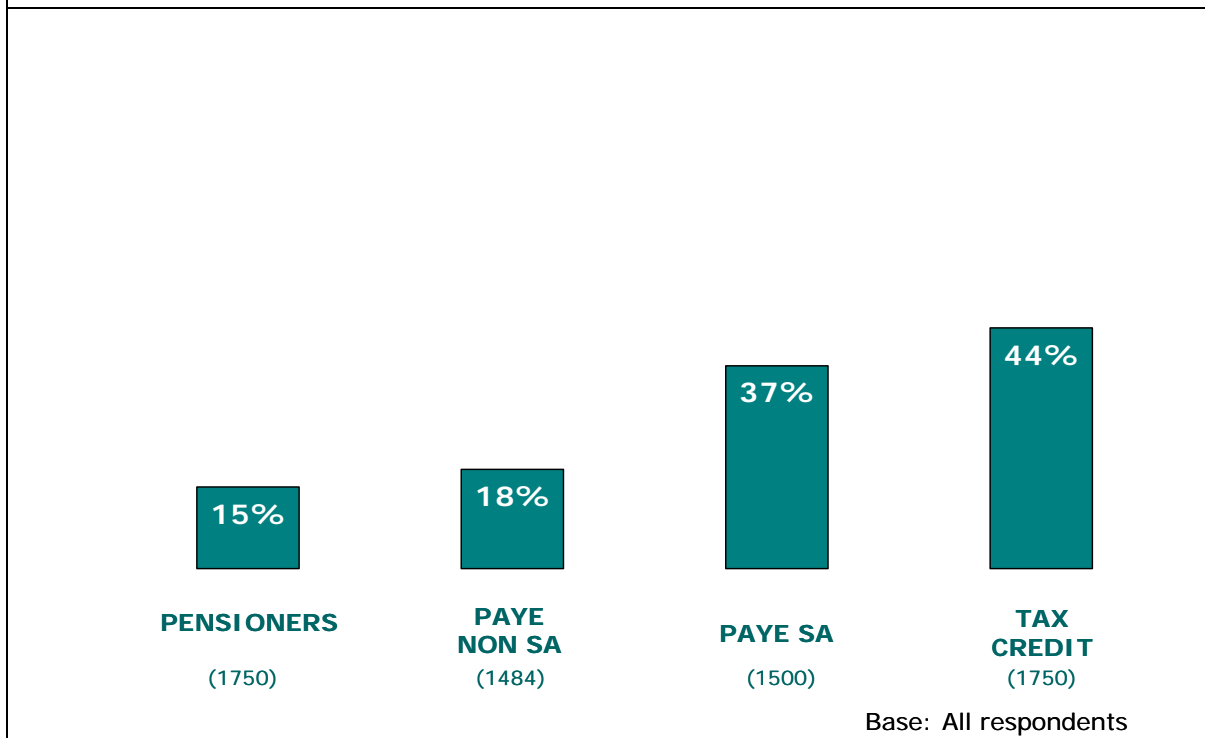
Whilst ideally customers would get enough support from the forms and guidance, in some instances they do need to contact HMRC for help or information. HMRC aims to be easily accessible to customers, and explain things clearly. Levels of contact vary considerably between customer groups (Figures 2.7 and 2.8) but have decreased in the longer term for many groups.

**Figure 2.7 Whether made contact with HMRC in past year (businesses)**

Amongst businesses, the highest levels of contact were seen for Agents (97%) and large employers (83%), and the lowest for SME corporates (16% down from 20% in 2006 and 37% in 2005), the self employed (22%), CIS customers (25% - higher at 51% of contractors). There were generally higher levels of contact for large businesses than for SME. There had been some changes from 2006, with a decrease for International Trade customers (42% down from 47%) and SME VAT customers (33% back down from 40% in 2006) and an increase for SME employers (40% back up from 34%).

Contact was dominated by use of the telephone and the website, with agents the only group making substantial use of written contact (76% of those with contact) or face to face contact (16%). The website was the most used channel for employers with contact (83% SMEs, 91% large), corporates (74% SMEs, 95% large), large VAT (85%) and International Trade customers (79%). The telephone and website were used equally by Agents (93% tel, 91% web), Excise (72% tel, 67% web), the self employed (57% tel, 67% web), SME VAT (66% tel, 67% web) and CIS customers (64% tel, 71% web)<sup>6</sup>.

<sup>6</sup> All percentages are of those customers with contact

**Figure 2.8 Whether made contact with HMRC in past year (individuals)**

Levels of contact tended to be slightly lower for individuals than business customers (Figure 2.8). Almost half of Tax Credit recipients (44%), and over a third of PAYE SA customers (37%) had made contact in last year. Both levels were stable after decreases in 2006. Contact levels were lowest and stable for PAYE non SA and pensioners at under one in five.

As Child Benefit customers were purposively selected to ensure that enough customers with contact with Inland Revenue over the previous year were surveyed, the results for Child Benefit customers for this question are not provided.

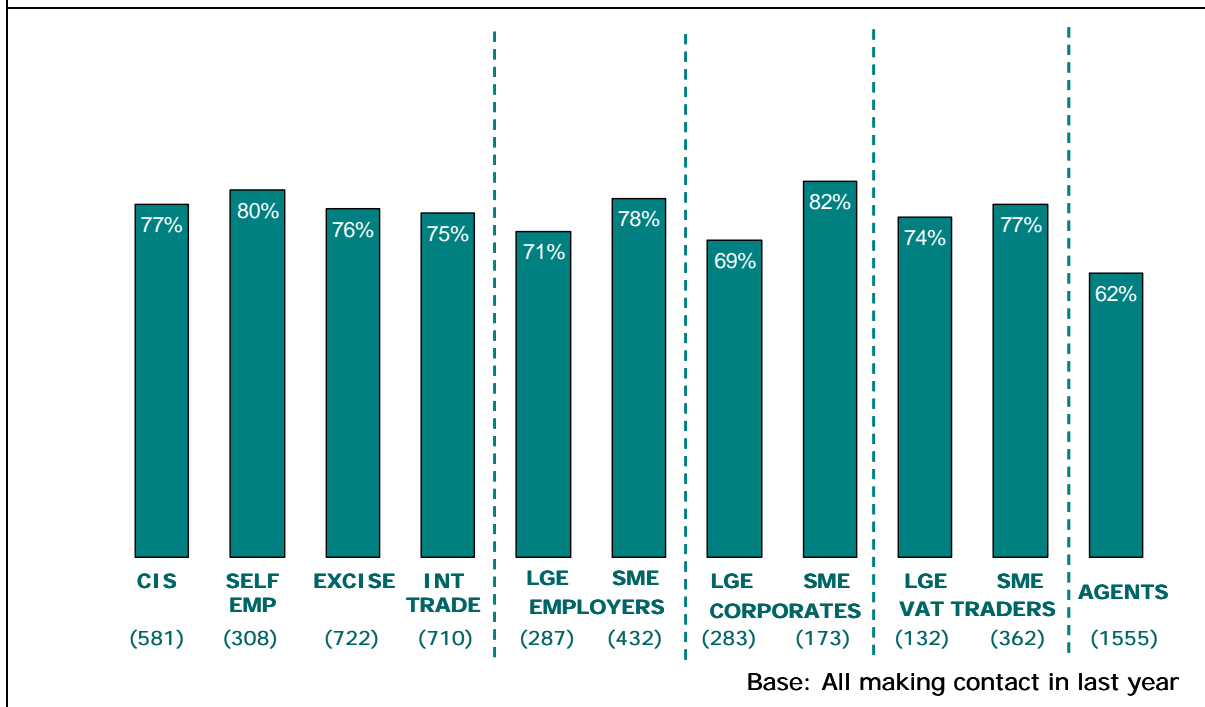
Pensioners and Tax Credit and Child Benefit recipients were most likely to have made contact by phone (at least three in four of those with contact). PAYE SA customers were most likely to have used the website (74% SA) although they were also likely to have used the phone (52%). PAYE non SA customers were equally likely to have phoned (59%) or used the website (55%). Written communication was not favoured by any group but was higher than average for Pensioners (17%) and PAYE non SA customers (15%)<sup>7</sup>.

Whilst levels of contact are one indication of the amount of support customers need, it is also important to consider how successful this contact is. This is covered by two

<sup>7</sup> All percentages are of those with contact only

measures: whether customers got the help they needed at the first attempt (Figures 2.9 and 2.10), which is a Key Indicator, and how satisfied customers were with their contact.

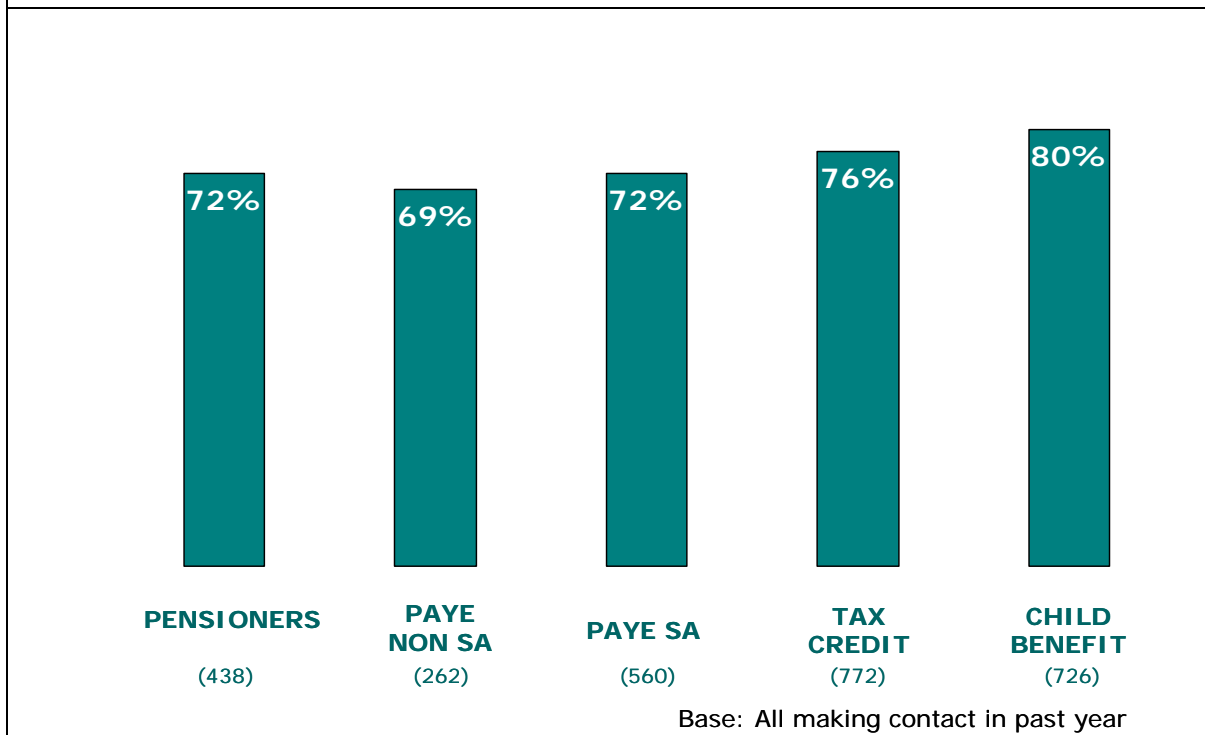
**Figure 2.9 Whether got help at first attempt (businesses)**



Among businesses, three in four in most customer groups said they got help the first time they contacted HMRC about their most recent issue. This was lower at 62% of agents. Success at first point of contact was highest at 82% of SME corporates and 80% of the self employed. The proportion rose steadily for CIS customers from 68% in 2004 to 77% in 2007. Results for other groups were largely stable over time.

At least eight in ten of most business customer groups expressed satisfaction with the contact experience when they had first got in touch, although this was slightly lower at 66% for agents (down from 70% in 2006). There had also been a decrease for large employers (77% down from 83% in 2006).



**Figure 2.10 Whether got help at first attempt (individuals)**

Among individuals, between seven and eight in ten customers got help the first time they contacted HMRC (Figure 2.10). This was lowest at 69% for PAYE non SA customers with contact and highest for Child Benefit recipients (80%). There had been a decrease for PAYE SA customers since 2006 (72% down from 78%) driven by those completing a Short Tax Return (66% down from 77%). The results for Tax Credit recipients were stable following an increasing trend since 2004. Those whose most recent contact was in writing were less likely to report success at first point of contact.

At least three in four in each individuals' customer group expressed satisfaction with the contact when they had first got in touch. This was highest for Child Benefit recipients at 87%, including an increase in the proportion who was very satisfied to 65% from 57% in 2006. Pensioners had the lowest levels of satisfaction (76% down from 83% in 2006) along with PAYE non SA (76%) and PAYE SA customers (77%), with around a half of each of these groups very satisfied.

Finally in terms of contact, customers were asked about ease of getting information during their most recent contact. This was largely made by telephone or via the website.

Among businesses making their most recent contact by phone, eight to nine in ten of most groups found it easy to find the information they wanted, but this was lower at three in four agents (72%) and large employers (74%). Excise customers were increasingly likely to find it easy (90% up from 86% in 2006).

Similar proportions of business customers using the website found it easy to find information, although this was slightly lower at 77% of International Trade customers. There had been improvements for Agents (86% found it easy up from 80% in 2006) and for SME employers (37% found it very easy, up from 26% in 2006, with 86% finding it easy overall). The website was, however, less likely to be seen as a “very easy” source of information (a fifth to a third) compared with the phone (a third to over half).

Findings were very similar for individuals. Around eight in ten found it easy to get help or information by phone or on the website at their most recent contact, although again the website was less likely to be seen as a “very easy” source of information (three to four in ten) compared with the phone (four to six in ten). Child Benefit recipients were most likely to find it easy to get information by phone (93%) and were increasingly likely to find it very easy (60% up from 54% in 2006). Pensioners were least likely to find it easy to get information on the website (76%) and this had decreased from 88% in 2006, driven by a decrease for SA pensioners. Tax Credit recipients were increasingly likely to find it very easy to find information on the website (42% up from 29% in 2006, 87% finding it easy overall).

Amongst those whose most recent contact was by phone, around three in four reported getting through first time, although this was higher for PAYE non SA customers (84%) and lower for pensioners (68%, down from 87% in 2006, driven by non SA customers). Around nine in ten felt the call was about the right length.

### **2.2.4 Feeling well treated**

The next key dimension concerns whether customers feel well treated by HMRC. This section covers whether HMRC takes customer needs and expectations into account.

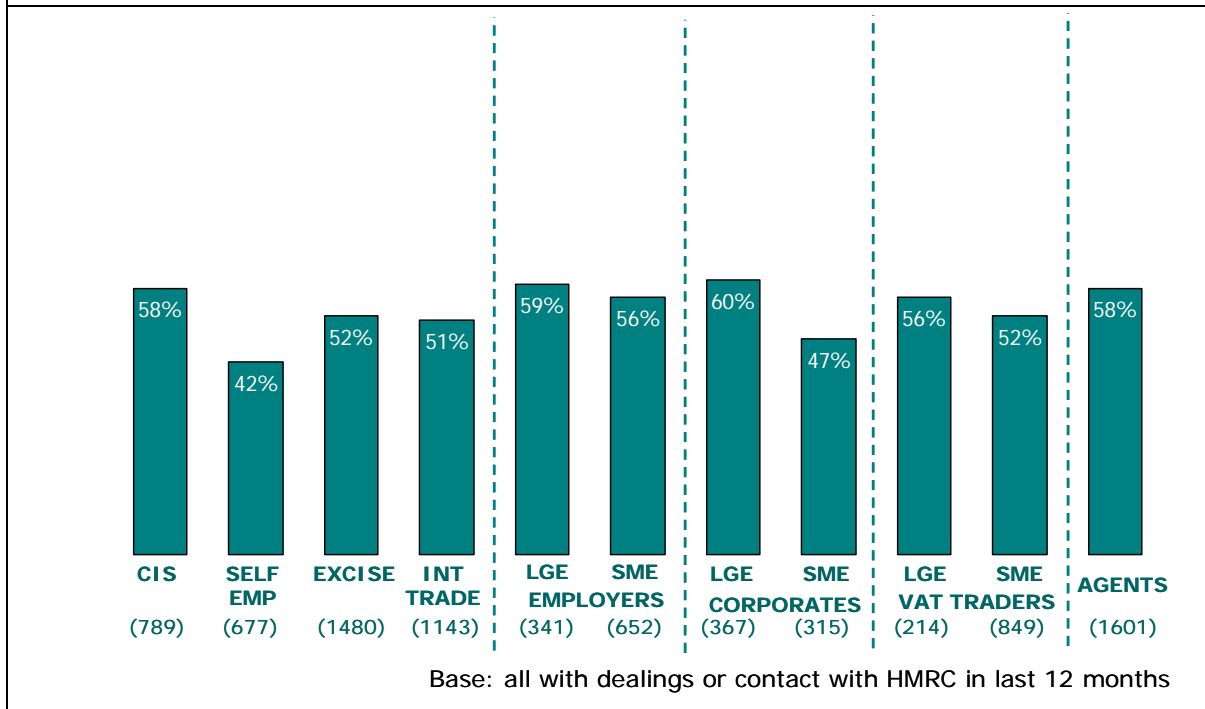
Around six in ten business customers believed HMRC takes their needs and expectations into account. This was lower for corporates (48% SMEs, 47% large), agents (34% back down from 40% in 2006) and International Trade customers (53%). There had been a decrease in agreement for SME VAT traders back down to 59% after a rise to 66% in 2006.

Levels of agreement were slightly higher for individuals. Child Benefit recipients were most likely to agree (76%, stable after an increase in 2006). Levels were also high for Tax Credit recipients at 71%, up steadily over time from 65% in 2006, and for pensioners (68%). There was a steady upward trend for PAYE SA customers, rising from 54% in 2005 to 60% in 2007. Agreement remained lowest for PAYE non SA at 51% and this had decreased from 57% in 2006.

### 2.2.5 Ensuring customers keep to the rules

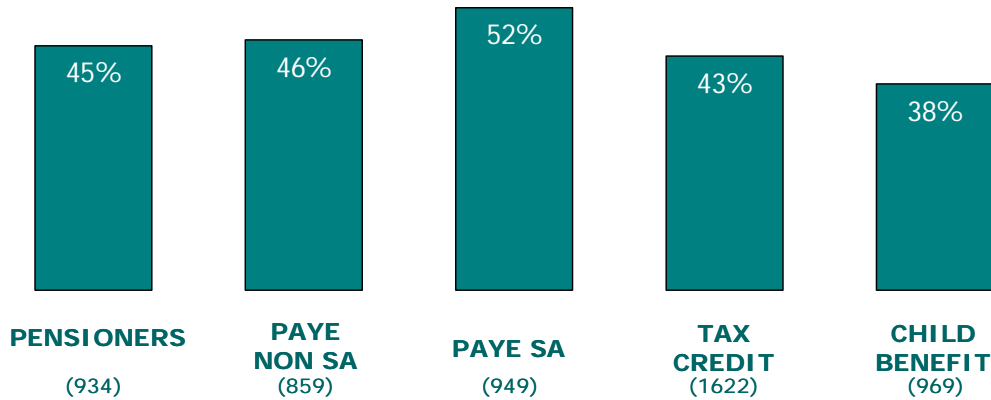
In order to assess how well HMRC ensures customers keep to the rules, a new question was introduced in 2007 asking whether HMRC makes it hard for individuals and businesses to get away with paying less than they owe (Figures 2.11 and 2.22).

**Figure 2.11 HMRC makes it hard for individuals and businesses to get away with paying less than they owe (businesses)**



Between five and six in ten of most business groups agreed that HMRC make it hard to break the rules in this way, with between two and three in ten agreeing strongly. Smaller businesses were generally less likely to agree, particularly the self employed (42%) and SME corporates (47%). Levels of disagreement were lowest for corporates (11% large and 13% SME) and highest for agents and large employers (each 18%).

**Figure 2.12 HMRC makes it hard for individuals and businesses to get away with paying less than they owe (individuals)**



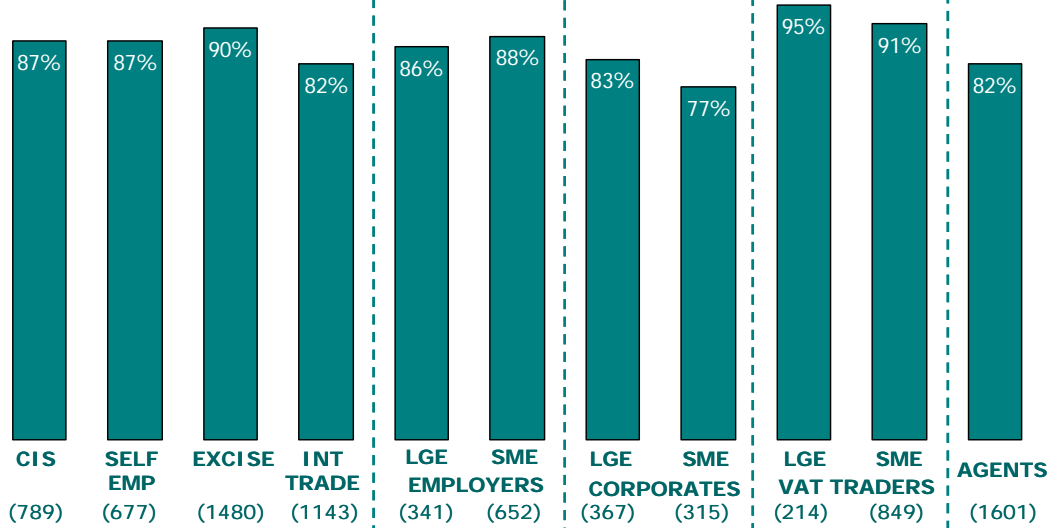
Base: all with dealings or contact with HMRC in last 12 months

Levels of agreement tended to be slightly lower for individuals, with between four and five in ten agreeing. Agreement was highest for PAYE SA customers (52%) and lowest for Child Benefit recipients (38%). A large proportion of customers were, however, unable to form an opinion. For example, 26% of pensioners, 22% of Tax Credit Recipients and 22% of Child Benefit recipients said they did not know.

### 2.2.6 Getting it right

The final customer experience dimension concerns both customers and HMRC getting things right. One aspect of this is whether customers are confident that they are getting things right when they deal with HMRC (Figures 2.13 and 2.14). This was asked for the first time in 2007.

**Figure 2.13 Whether agree that confident that get things right when deal with HMRC (businesses)**

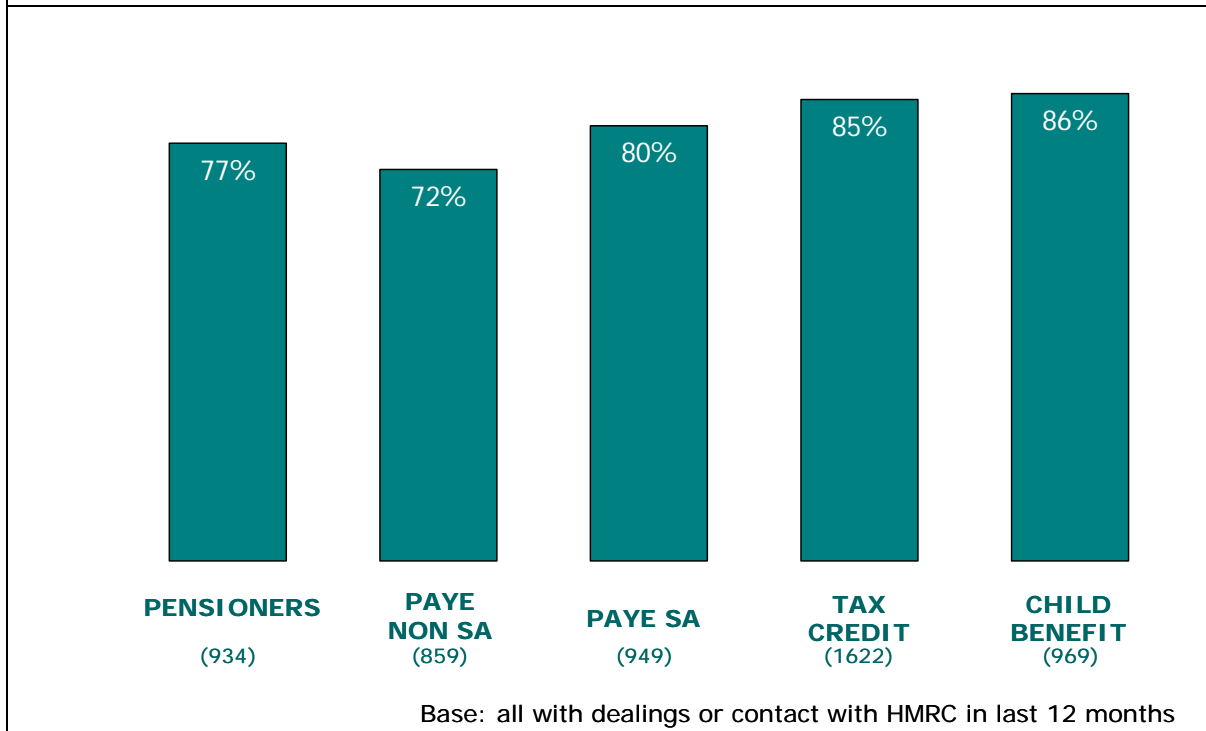


Base: all with dealings or contact with HMRC in last 12 months

Levels of confidence were high for businesses with around eight to nine in ten agreeing in most customer groups. Confidence was highest for VAT trade (95% large, 91% SMEs) and lower for SME corporates (77%).

A further aspect of this customer experience dimension is whether customers can rely on HMRC to get it right. Between six and seven in ten business customers agreed that HMRC provides a consistent service. This was higher for VAT traders (76% for both large and SMEs) and lower for large corporates (53%) and agents (34% down from 47% in 2006). There had been a slight decrease in agreement for Excise customers to 68% from 72% in 2006.

**Figure 2.14 Whether agree that confident that get things right when deal with HMRC (individuals)**



Among individuals confidence ranged from 72% of PAYE non SA customers up to 85% of Tax Credit recipients and 86% of Child Benefit recipients (Figure 2.14). Even among PAYE non SA customers, however, only 10% disagreed that they felt confident, at a similar level to individuals in other customer groups.

Between six and seven in ten in most individuals customer groups felt HMRC provided a consistent service. This was highest for Child Benefit recipients (76%) and lowest for PAYE non SA customers at 58%, a decrease from 64% in 2006. There had also been a decrease for pensioners to 64% from 72% in 2006.

## Appendix – definition of customer groups

### Businesses:

Customer group	Definition	No. of achieved interviews
Employers	Businesses with at least one employee.	1200
Corporates	Businesses registered for Company Tax.	1500
VAT registered businesses	All VAT registered traders.	1501
Agents	Businesses from the Standard Industry Codes covering professions such as accountancy, book-keeping and payroll bureaux.	1601
Self employed	All self employed traders.	1499
Construction Industry Scheme (CIS)	Contractors and subcontractors registered for CIS.	1201
Excise customers	Those who deal with the following Excise duties within their business:	1550
	○ Tied Oils	236
	○ Registered Dealers in Controlled Oils (RDCO)	450
	○ Beer Duty	127
	○ Registered Owners	191
	○ Registered Excise Dealers and Shippers (REDS)	56
	○ Excise Warehouses	66
	○ General Betting Duty	150
	○ Aggregates Levy	119
	○ Climate Change Levy (CCL)	69
	○ Landfill Tax	76
International Trade	Import and export traders in the UK and import/export Agents.	1502

**Individuals:**

<b>Customer group</b>	<b>Definition</b>	<b>No. of achieved interviews</b>
PAYE Self Assessment	Those in paid employment who pay their taxes under self assessment.	1500
PAYE non Self Assessment	Those in paid employment who do not pay their taxes under self assessment.	1447
Tax Credit recipients	Customers who had applied for or renewed their Working Tax Credit or Child Tax Credit application in the past year	1750
Pensioners (Self Assessed and Non Self Assessed)	Customers drawing a state pension, both Self Assessment and non Self Assessment	1750
Child Benefit recipients	All customers who had submitted a Child Benefit application or had contacted the Child Benefit office in the last year <sup>8</sup>	989

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<sup>8</sup> This is the only group where everyone receiving a service is not covered. This approach was taken in view of the fact that customers simply in receipt of Child Benefit have no active interaction with HMRC.