



Low Incomes  
Tax Reform  
Group

A voice for the unrepresented

# Digital services for taxpayers – effectiveness and engagement

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A research report by the  
Low Incomes Tax Reform Group of  
The Chartered Institute of Taxation

November 2016

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A large print version of this report is available from The Chartered Institute of Taxation upon request. Please write to the Low Incomes Tax Reform Group, The Chartered Institute of Taxation, 1st Floor, Artillery House, 11-19 Artillery Row, London, SW1P 1RT.

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# Foreword

In recent years government has understandably increased its focus on developing and encouraging people to use digital services.

Indeed, the benefits of digital technology are numerous and far-reaching and doing business online wherever possible makes good economic and administrative sense for both government and the public.

For many people, cheaper broadband and increased use of smartphones and tablets have made it easier to access the internet and online is becoming the default option for many to obtain information and to carry out everyday tasks like shopping, banking and booking holidays. Amongst those keen to transact digitally, there are greater expectations of what they should be able to do online and what digital services should offer.

While recognising the benefits that digitalisation brings, the [Low Incomes Tax Reform Group](#) (LITRG), [TaxAid](#) and [Tax Help for Older People](#) have long voiced concerns for those who cannot make use of digital services because they lack internet access or because they lack skills, often as a result of age, disability or low levels of literacy. In a world where essential government services and information are increasingly only available online, people who cannot transact digitally are at a very serious disadvantage. And for the ever increasing numbers who do have access, this does not necessarily equate to being able to interact with government or manage their tax affairs in this way.

Given the objective within the government's Making Tax Digital (MTD) approach<sup>1</sup> and the proposals set out in the Making Tax Digital consultations<sup>2</sup> that in future every taxpayer will be able to interact with HM Revenue & Customs (HMRC) through their own digital tax account, HMRC must ensure they do not leave people behind. But as things currently stand that is a significant risk.

As well as ensuring that their digital services are widely accessible both in the way content is presented and ease with which transactions can be carried out, HMRC must continue to focus on helping and fully supporting people to overcome the barriers that stop them using digital.

And for those who really cannot engage digitally, they must ensure that alternatives that are as good as digital services are available. Digital by default must be inclusive not mandatory.

Signed



Anthony Thomas  
Chairman, Low Incomes Tax Reform Group

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1 Making Tax Digital policy paper – [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/484668/making-tax-digital.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/484668/making-tax-digital.pdf) (Published 14 December 2015)

2 Making Tax Digital consultations – <https://www.gov.uk/government/collections/making-tax-digital-consultations> (Published 15 August 2016)

# 1. About this report

## Scope

In this report, we consider and use a range of complementary and supporting evidence to comment on whether government digital services such as GOV.UK, GOV.UK Verify and HMRC's digital tax accounts and their supporting material meet the needs of people who are:

- Willing and able to interact digitally but who face the four recognised barriers to doing so, namely access, skills, motivation and trust.
- Unable to transact digitally.

We also consider and comment on:

- Whether the four barriers are changing over time as people become more used to interacting and transacting online.
- Whether appropriate support is sufficiently in place to help people overcome these barriers.
- What more can be done.

This report draws on our general observations of working with older people, disabled people and low-income and vulnerable populations as well as face-to-face, telephone and online research carried out by LITRG, TaxAid and Tax Help for Older People between October 2015 and February 2016 (see [Annexe B](#)). Throughout this report, we refer to this research as 'our survey'.

A range of real-life anonymised case studies that illustrate common situations experienced by the low-income population who come to LITRG's websites<sup>3</sup> on a regular basis and to TaxAid<sup>4</sup> and Tax Help for Older People<sup>5</sup> for individual help and advice, along with supporting observations and comments, can be found at [Annexe C](#).

The report also summarises other accepted research in this area including a complementary study carried out by TaxAid that can be found at [Annexe D: Digital proficiency amongst the vulnerable and low paid taxpayer – a report from TaxAid](#). Throughout this report we refer to this study as the 'complementary survey'.

## Purpose

This report was written by the Low Incomes Tax Reform Group (LITRG), as part of a specific project funded by the Council of the Chartered Institute of Taxation (CIOT)<sup>6</sup>. TaxAid and Tax Help for Older People also provided evidence on which the report is based.

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3 Low Incomes Tax Reform Group website: <http://www.litrg.org.uk/>

4 TaxAid website: <http://taxaid.org.uk/>

5 Tax Help for Older People website: <http://www.taxvol.org.uk/>

6 Chartered Institute of Taxation website: <https://www.tax.org.uk/>

Its purpose is to make recommendations that will influence HMRC and wider government policy in relation to the development of digital services and supporting help. Following these recommendations will help ensure that the digitally disadvantaged will have easier access to the guidance, information and services they need.

### [Making Tax Digital \(MTD\) consultations](#)

The key driver for this report is to illustrate our (LITRG, TaxAid and Tax Help for Older People) experience of taxpayers' ability to interact with HMRC digitally. Work on this report was already well underway when the MTD consultation documents were published in August 2016. We do not therefore intend to replace or reiterate our responses to these consultation documents. Our recommendations in this report instead seek to complement them.

## 2. Executive summary – key findings and recommendations

The following key findings and recommendations are supported by more detailed recommendations within each section of the report.

### 2.1. Key Findings

Evidence cited in this report, taken from the results of our survey findings, case studies, other accepted research in this area and our general observations of working with people shows that:

- **It makes financial and administrative sense** – The move to digital has the potential to save time and money for both government and the general public alike.
- **Access and acceptance is improving** – Internet access across the UK is generally improving and there is a definite shift towards more people being keen to interact with digital services. The Office for National Statistics (ONS) reported in August 2016<sup>7</sup> that the internet was used daily or almost daily by 82% of UK adults in 2016, compared with 78% in 2015 and only 35% in 2006. 75% of respondents to our survey had access to a device on which they could access the internet.
- **Motivation to go online is high amongst those with access** – For those with internet access, the majority – even older age groups – identified at least one category of government business they are happy to carry out online. 67% of respondents to our survey with internet access used GOV.UK for at least one purpose such as searching for information or renewing car tax. Respondents aged 50 or under were more confident to go online than older respondents. Amongst those keen to transact digitally, there are now greater expectations of what digital services should offer and how easy it should be to carry out transactions online.
- **Tablets and smartphones on the rise** – Mobile and/or smartphones are now the most popular devices used by UK adults to access the internet but they are still owned by only 71% of the population. Tablets are also on the increase. It is important to note that both are mostly used by younger people and higher earning households.<sup>8</sup> Only 31% of respondents to our survey for example had a tablet and only 25% had a smartphone.
- **Barriers still remain** – A whole range of research documented in this report shows that across all socio-economic groups many still do not have either internet access or the skills, motivation and trust, which is crucial to those who wish to interact online. Older or disabled people and those in the low income and vulnerable population are likely to be the most affected and even those who are digitally competent now may not remain so forever. 77% of respondents to our survey were aged 60 or older. Over half did not

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7 Office for National Statistics Report – <https://www.ons.gov.uk/peoplepopulationandcommunity/householdcharacteristics/homeinternetandsocialmediausage/bulletins/internetaccesshouseholdsandindividuals/2016#main-points> (Published 4 August 2016)

8 The 2016 Ofcom Communications Market Report published 4 August 2016 – [http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr16/uk/CMR\\_UK\\_2016.pdf](http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr16/uk/CMR_UK_2016.pdf) reported that smartphone ownership was highest in higher or intermediate managerial, administrative or professional households (known as AB households) – 76% compared to 62% in semi-skilled, unskilled or non-working households (known as DE households). Ownership was also highest amongst young adults. More than 9 in 10 of those aged under 34 owned one compared to only 42% of those aged 55. Only 43% of those aged over 55 owned a tablet compared to 70% of those aged 35 – 54 and 67% of those aged 24-34.

have access to the internet. Only 25% of those aged over 80 had a digital device. Although Tax Help for Older People always offer to help those who contact them to use digital services and information, a huge majority declined – during the first six months of 2016 only 9% of people accepted. 68% of respondents to the complementary TaxAid survey, which can be found at [Annexe D](#), claimed they would not or would be unlikely to transact online. If digital services are not designed to meet a whole host of different needs and alternatives that provide as good a service as the digital equivalents are not made available for those who cannot transact in this way, some of the most vulnerable in society may be at risk of missing out on essential information, services and entitlements.

- **Capability is a moveable feast** – Even those who are digitally competent now may not remain so forever and this is very likely to be the case. Our case studies<sup>9</sup> illustrate that issues arising as a result of the natural ageing process or illness or bereavement (that can happen at any age) can mean that a previously digitally competent person becomes unable to interact in this way.
- **Some will never be digitally capable** – Although people now rely more and more on conducting their affairs online, there will always be those who will never be able to use digital services. Government acknowledges<sup>10</sup> that 10% of the population will never be digitally engaged, which is a huge number – the ONS, for example, reported in August 2016 that nearly half of single pensioners still have no internet access. As more services move online, it will become increasingly important to address this so that people do not get left behind. 56% of respondents to the complementary TaxAid survey fell into the ‘digitally excluded’ category – 20% because they had no internet access.
- **Existing legislation protects the vulnerable** – The 2010 Equality Act,<sup>11</sup> along with the judgment in *LH Bishop Electrical Co Ltd & Others v HMRC Commissioners* [2013] UKFTT 522 (TC),<sup>12</sup> where HMRC regulations which mandated online VAT returns without regard to the needs of the elderly, the disabled, or those living remotely were found to be incompatible with those people’s human rights, protect the rights of the most vulnerable in society. A summary of this very important case can be found at [Annexe E](#).
- **Support, guidance and signposting needs to improve** – The support available to help people access and effectively use digital services is inconsistent and often poorly signposted, as are some of the services themselves. It is worth noting that in the case of *LH Bishop Electrical Co Ltd & Others v HMRC Commissioners* [2013] UKFTT 522 (TC) the judge was hugely critical of HMRC for failing to properly publicise a telephone filing facility which could have been used by those mandated to file VAT returns electronically but who were struggling to do so because of age, physical disability or remoteness of location.<sup>13</sup> The more vulnerable in society will almost certainly need additional help to access digital services or in some cases may never be able to access them at all. Our survey findings showed that many in this category naturally prefer to get help and support by speaking to somebody rather than through a digital channel.<sup>14</sup>
- **Digital inclusion is more than just an internet connection** – Digital inclusion is about more than just access to a computer (or other device such as a tablet or smartphone) and an internet connection. People need the right skills, access, motivation and crucially, trust to interact digitally and they need to see the benefit

9 See case studies 2, 3, 4, 9, 18, 19, 21 and 23 available at [Annexe C](#) of the report.

10 Policy Paper, ‘Government Digital Inclusion Strategy’ – <https://www.gov.uk/government/publications/government-digital-inclusion-strategy/government-digital-inclusion-strategy> (Updated 4 December 2014)

11 The 2010 Equality Act Guidance – <https://www.gov.uk/guidance/equality-act-2010-guidance> (Updated June 2015)

12 First-tier Tribunal (tax) *LH Bishop Electrical Co Ltd & Others v HMRC Commissioners* [2013] UKFTT 522 (TC) – <http://www.bailii.org/uk/cases/UKFTT/TC/2013/TC02910.html>

13 See paragraphs 477-516 of the case – <http://www.bailii.org/uk/cases/UKFTT/TC/2013/TC02910.html>

14 See page 71 of our survey findings available at [Annexe B](#).



of doing so. Our survey findings showed that lack of skills and interest were the main reasons across all age groups for not using a computer. More than 20% of respondents across all age groups had concerns about the security of government online services. Experience of working with older people tells us that there is also a big difference between being able to access information and being able to understand what is displayed.

- **GOV.UK** – The majority of respondents to our survey used GOV.UK to search for advice or information. It was evident from the results of the complementary TaxAid survey that even the most capable of respondents needed help to search, interact or transact with HMRC online, which is very worrying. We are seriously concerned that the lack of detail, slow updating of content and difficulty in navigation mean that as the primary source of government information it currently fails to serve taxpayer need. We feel that in its current form, it is by no means an adequate replacement for the now closed HMRC enquiry centres and reduced numbers of contact centre staff.
- **Inconsistency** – Not all digital services have the same look and feel or can be accessed in the same way.<sup>15</sup> We recognise of course that within HMRC this will improve as their digital services become available through digital tax accounts. Indeed by 2020 when their full range of digital services are planned to be available in this way, there should be consistency of look and feel but HMRC also need to ensure there is consistency of access as commented on in the next paragraph.
- **GOV.UK Verify** – Proving identity through GOV.UK Verify continues to present a huge challenge to many to the extent that HMRC have developed their own access route. Although we recognise the reasons for this, having different access routes into HMRC's digital services (GOV.UK Verify, Government Gateway, personal tax account, etc.) has the potential to confuse people further. Why are there so many? Why is the process not simpler? A poor experience of trying to verify identity may in many cases be enough to prevent people from trying again, potentially leading to disengagement with government digital services altogether.
- **The Making Tax Digital (MTD) planned roll out** – The MTD roll out appears very ambitious considering the number of individuals and businesses who are digitally disenfranchised and the scale of change proposed. Is government totally ready and able to adequately support people through the transition? It is certainly not doing enough, if anything at all, to publicise the benefits of the services and the support that will be available so that people feel motivated to use them.
- **Lack of trust** – Headlines about loss of customer information, data, scams and phishing raise legitimate and serious concerns around online security. Use of digital services will only increase when people feel able to fully trust organisations to securely handle personal data online. Responses to the complementary TaxAid survey showed that respondents were very nervous of transacting online because of concerns around cyber security, a natural mistrust of government or authority figures and fear that they would make mistakes online that might not be as easily rectified as if they made those mistakes on paper. Tax Help for Older People have recently seen a dramatic increase in calls about scams – this is certainly a big worry for older people.
- **Consistency of research findings** – the findings from our own research carried out to inform this report, along with our general observations of working with low income and vulnerable people, are consistent with and support the findings of other accepted research in this area.

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15 The 'request for statement of National Insurance account form' and the 'PAYE Coding Notice query form' are examples of old style HMRC forms that have a different look and feel to other PAYE <https://www.gov.uk/tax-codes/if-you-think-youve-paid-too-much-tax> and National Insurance guidance and services <https://www.gov.uk/check-national-insurance-record>

## 2.2. Key recommendations

The recommendations in this report are intended to inform HMRC and wider government digital policy.

- **Ensure people are equipped to engage digitally** – Continue to address the four main barriers to digital inclusion – access, skills, motivation and trust. Recognise and take into account the fact that successful engagement requires proper evaluation of people’s digital literacy, capability and awareness. Help instil confidence and motivation by publishing an update on progress against the aims of the 2014 Digital Inclusion Strategy.
- **Digital by default should take an inclusive approach, not a mandated one** – Do not force people to fulfil their obligations online by mandating the use of digital services. Instead, encourage, support and motivate people by providing help and guidance, by clearly publicising the benefits and by making services so efficient and easy to use that people will naturally prefer them to any alternatives. An insistence on mandation will almost certainly be too much for some to deal with. It also runs the risk of pushing those unable to comply into the hidden economy. HMRC must not only be mindful of the judgement in *LH Bishop Electrical Co Ltd & Others v HMRC Commissioners* [2013] UKFTT 522 (TC), but they must also consider those for example who might be too poor to afford to purchase a digital device or pay monthly broadband payments or even dial-up as not everyone has an active landline phone. It should not be made excessively difficult for people to prove they should be exempt from using digital services. Those in receipt of benefits such as Personal Independence Payment or Disability Living Allowance and people with certain disabilities should for example be automatically exempt. The point here is that government should not allow exemptions and then create barriers to accessing them by requiring excessive proof. We make further suggestions regarding exemptions to mandation in our response to the MTD consultations.
- **Design digital services around user need** – Continue to use an agile approach so that services and support continuously evolve in response to the needs of all users, particularly the older, disabled and disadvantaged population.
- **Make it easy** – Personalise services and make them easy to use. Ensure that the look and feel of digital services and information is consistent across government. The current inconsistency does not help people to know or have an understanding of what they should be looking for when choosing a site or to differentiate between plausible fake and genuine looking sites, leaving them more open to fraud. Services must be designed to be at least as good as telephone and face-to-face services and should not create extra work or cost for people.
- **Make services robust and secure** – Let people know how safe digital services are so that they have the confidence and trust to use them. As online security may always be an issue, demonstrate how best practice and latest developments are being used when designing digital services and in terms of how people access their digital accounts. Develop guidance for individuals along the lines of guidance being produced for business.<sup>16</sup> Ensure safeguards are in place so that planned links between HMRC and intermediaries’ systems are robust and secure.
- **Recognise the changing digital landscape** – Acknowledge the rise in smartphone and tablet use and design services accordingly. But at the same time recognise that these devices may not be available to or suitable for everybody. They also have limitations such as being less likely to be able to print from them and those

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16 Department for Culture, Media & Sport Cyber Security report – <https://www.gov.uk/government/news/two-thirds-of-large-uk-businesses-hit-by-cyber-breach-or-attack-in-past-year> (Published 8 May 2016)

not connected to cloud storage may not back-up their information in the same way as they might on a computer or laptop.

- **Provide and clearly signpost understandable guidance and appropriate support** – Help enable people to interact better digitally. Provide this across a range of channels and ensure it is easily and readily accessible and adequately staffed for all who need it. Our case studies<sup>17</sup> highlight the importance of having staff who are able to deal with a range of different situations. A dedicated line manned by appropriate staff should be available for people with disabilities. It is also important to recognise that capability is a moveable feast and even the digitally engaged may at times need support to access government services. Improve confidence and motivation by introducing a system that allows those that need to, to ‘speak’ to an HMRC adviser either via web chat or on the phone to double check they are doing things correctly. Recognise that some, particularly older people who might not be used to technology, find intelligent telephony automation systems frustrating and difficult to use.
- **Make alternatives available** – Continue to offer and make available alternatives for those who find it excessively difficult to interact digitally and for those who, despite help and support, can no longer interact digitally because of changes in life circumstances such as age, bereavement, illness or disability. Alternatives must ensure that those who cannot transact digitally get as equally a good service as those who can.
- **Reconsider the MTD for business proposals** – Slow down the timetable until a robust impact analysis is carried out and the design, including how customers will be supported through the transition and ongoing process, has been completed and fully tested. Develop a communications strategy that publicises the benefits of MTD. Raise the proposed exemption limit very significantly, provide free software and do not make it mandatory.
- **Work collaboratively and hold genuine two-way conversations with people** – Recognise and learn from the research cited in this report. Work with other government departments to understand and learn from their ‘digital experience’. Incentivise staff who have day-to-day dealings with the public to log and escalate difficulties encountered with digital services and to submit their own ideas for improvements. Use this information to inform future service design.
- **Continue to work closely with and further utilise the role of intermediaries** including agents and the voluntary sector to better understand and support those that need help to access digital services. Reinvest savings from reduced service delivery costs to provide support and funding to introduce a system that entrusts a network of authorised intermediaries within the Voluntary and Community Sector (VCS) to access and upload information to client digital accounts on their behalf. This would be of particular benefit in helping those with a natural mistrust of authority to comply.
- **GOV.UK Verify** – Access to government online services needs to be uniform and seamless. Because GOV.UK Verify is not working well enough for this to happen, other access routes have been developed to enable people to use, in particular, HMRC’s digital services. Rather than allow this to continue, government should formally assess whether GOV.UK Verify can do what they need it to do and based on that assessment decide whether to continue to develop and improve it, or abandon it. There must be one route that is fit for purpose and easily and equally accessible to all who are entitled to use it. In doing so government must also ensure that those who have previously used an ‘alternative’ route from that eventually chosen, can quickly, easily and seamlessly transfer over rather than having to start the whole verification process again.

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17 See case studies 21 and 22 available at [Annexe C](#) of the report.

- **Let people know what is available** – The different access routes into HMRC’s digital services have the potential to cause confusion.<sup>18</sup> We recommend a single point of entry but in the meantime, HMRC should develop guidance that pulls together into one place information about which services are available online, how to access them and what support is available to help those willing (but having difficulty) to use them. To enable them to support people effectively, this information must also be readily available to agents and intermediaries.
- **Improve GOV.UK** – Engage better with users to understand their needs and with agents and intermediaries to understand the needs of those they represent. Incorporate these findings and the advanced ‘user friendliness’ of commercial sites into GOV.UK architecture.

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<sup>18</sup> For example, those who want to transfer blind person’s allowance to their spouse or civil partner have to access the appropriate form via GOV.UK. They are then automatically linked to their personal tax account. The form is not available directly from an individual’s personal tax account.

# 3. Introduction – the move to digital

Millions of individuals interact with government each year, whether directly or indirectly. According to its 2012 Digital Strategy policy paper,<sup>19</sup> the government provides more than 650 transactional services through a range of channels. Traditionally these channels have been face-to-face, post and telephone but increasingly many people want to complete transactions, such as taxing a car, paying taxes and applying for tax credits, online.

The government approach to digital mirrors society's increasing preference for doing things online. It has also been one of necessity, prompted by reduced budgets and a reduction in staff. HMRC, for example, have closed their enquiry centres and people who try to call their contact centres experience long waiting times. The 'Quality of service for personal taxpayers' report<sup>20</sup> published by the National Audit Office (NAO) in May 2016 stated that during 2015/16, fewer than 8 out of 10 calls were answered and callers experienced an average of fifteen minutes waiting time to speak to an adviser.

The implications for the move to digital are enormous. Moving services to digital channels makes perfect sense, particularly when departments are operating on reduced budgets and the taxpayer is rightly expecting value for money from its public services.

The Minister for the Cabinet Office at the time the Government Digital Strategy was launched, put forward a financially compelling case for the digital transformation of government services. He said that the cost of digital transactions is 20 times lower than over the phone, 30 times lower than by post and 50 times lower than face-to-face. It was estimated then that the 'digital by default' approach could save the government, and by extension the taxpayer, approximately £1.8 billion a year.

Individuals and families can make savings too. In 2010, Martha Lane Fox commented that 3.6 million low-income households were missing out on total savings of over £1bn a year from shopping and paying bills online.<sup>21</sup> Additionally in 2014, the Tinder Foundation reported that the government saves around £194 per person when they do transactions over the internet rather than in person;<sup>22</sup> every consumer who is online saves on average £560 a year by shopping around and looking for deals.

Digital technology also plays an important part in education. It can increase motivation, support self-led research, enable learning to continue 'on the move', improve creativity and help teachers use a range of styles to help those with different learning abilities.<sup>23</sup>

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19 2012 Government Digital Strategy – [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/296336/Government\\_Digital\\_Strategy\\_-\\_November\\_2012.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/296336/Government_Digital_Strategy_-_November_2012.pdf) (Published by the Conservative and Liberal Democrat coalition government in November 2012)

20 NAO report, 'The Quality of service for personal taxpayers' – <https://www.nao.org.uk/wp-content/uploads/2016/05/The-quality-of-service-for-personal-taxpayers.pdf> (Published 25 May 2016)

21 Race Online 2012, 'Manifesto for a networked nation' – <http://media.caspianpublishing.co.uk/document/cc40f726b459bd36232348b486bed139.pdf> (Published July 2010)

22 The Tinder Foundation, 'A Leading Digital Nation by 2020: Calculating the cost of delivering online skills for all' – [https://www.tinderfoundation.org/sites/default/files/research-publications/a\\_leading\\_digital\\_nation\\_by\\_2020\\_0.pdf](https://www.tinderfoundation.org/sites/default/files/research-publications/a_leading_digital_nation_by_2020_0.pdf) (Published February 2014)

23 Learning Foundation – <http://learningfoundation.org.uk/parents/how-technology-helps-learning/>

## 4. Digital Inclusion – making sure people have the right access, skills, motivation and trust to go online confidently

In this section we use findings from our own case studies, surveys and accepted research, to consider and comment on the challenges people face in going online, the potential impact of being unable to interact digitally on both government and the public and what the government is doing to address this.

We recognise that bringing as many people as possible online has the potential to result in significant economic benefits by enabling government departments to switch to lower cost delivery channels, reducing user time and cost of transacting with government and improving satisfaction with government services.

While recognising the benefits, we are concerned for those who for different reasons cannot access services in this way. Although more people undoubtedly now conduct their affairs online, there is still a significant proportion who cannot.

### The Digital Inclusion Strategy

In April 2014, the government launched its Digital Inclusion Strategy<sup>24</sup> and accompanying Digital Inclusion Charter.<sup>25</sup> The strategy, produced jointly with partners from across the public, private, and voluntary sectors, set out how they will increase digital inclusion together by helping people become capable of using and benefiting from the internet. The charter brought together forty organisations from all sectors committed to reducing the number of people offline.

The aims of the strategy and charter are:

#### By April 2016

- Between 2014 and 2016, the number of people lacking digital capability will reduce by 25%, meaning that 2.7 million more people will be online.
- Fewer than 8.3 million people (16% of the adult population) will be offline.

To continue to reduce the proportion of people who are offline by a further 25% every two years after that, so that:

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24 Policy Paper, 'Government Digital Inclusion Strategy' – <https://www.gov.uk/government/publications/government-digital-inclusion-strategy/government-digital-inclusion-strategy> (Published by the Conservative and Liberal Democrat coalition government in 2014. Last updated 4 December 2014)

25 Policy Paper, 'UK Digital Inclusion Charter' – <https://www.gov.uk/government/publications/government-digital-inclusion-strategy/uk-digital-inclusion-charter> (Updated 4 December 2014)

## By 2018

- Fewer than 6.2 million people (12% of the adult population) will be offline.

## By 2020

- The number of people who lack basic digital skills will be reduced to around 4.7 million – less than 10% of the adult population – and everyone who can be digitally capable, will be.

When written, the strategy suggested that over 1 in 5 lacked the basic digital skills needed to interact fully online and a third of small to medium size enterprises (SMEs) did not have an online presence. When voluntary community and social enterprises (VCSEs) were included, this figure rose to 50%.

It also stated that just under 10% of the adult population might never be able to gain basic digital capabilities because of disability or lack of literacy skills. It went on to say that through its assisted digital approach,<sup>26</sup> government will provide support to anyone who cannot access its digital services independently.

It recognised that increasing digital inclusion cannot be tackled by government alone and set out ten actions that government and partners should work together to achieve:

- 1) Make digital inclusion part of wider government policy, programmes and digital services.
- 2) Establish a quality cross-government digital capability programme.
- 3) Give all civil servants the digital capabilities to use and improve government services.
- 4) Agree a common definition of digital skills and capabilities.
- 5) Boost Go ON UK's<sup>27</sup> partnership programme across the country.
- 6) Improve and extend partnership working across public, private and voluntary sectors.
- 7) Create a shared language for digital inclusion.
- 8) Bring digital capability support into one place.
- 9) Deliver a digital inclusion programme to support SMEs and VCSEs.
- 10) Use data to measure performance and improve what government does.

Within its conclusion government conceded:

“This strategy is just the start. We have a lot more to do in helping people and organisations gain access to the internet and develop the skills, motivation and trust required to become digitally capable and confidently use the internet.”

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26 Government approach to assisted digital – <https://www.gov.uk/government/publications/government-approach-to-assisted-digital> (Published 4 December 2013)

27 Boost Go ON UK is now known as Doteveryone – <https://doteveryone.org.uk/>

In 2015, the Government Digital service (GDS) launched a Digital Inclusion Outcomes Framework.<sup>28</sup> The intention of the framework is to provide a single, flexible template for tracking digital inclusion in the UK, and evaluating activities locally. The framework allows users to map digital inclusion activities, evaluate and share the outcomes and benefits of those activities and use this information to secure future investment.

While we acknowledge that no formal update has been published, anecdotal evidence such as provision of improved digital technology and upskilling of staff within HMRC, budget measures that provide for improved broadband provision nationwide, the October 2016 announcement<sup>29</sup> to provide free basic digital skills training for adults who lack relevant qualifications and HMRC's drive to push forward the introduction of their digital tax accounts, indicate some progress. We do however recommend that a formal progress update on the Digital Inclusion Strategy be published as soon as possible.

### The challenges people face

The Digital Inclusion Strategy referred to four barriers that people need to overcome before they can be digitally capable.

Access	Skills	Motivation	Trust
Accessibility	Literacy skills	Risks	Identity
Location	Digital skills	Necessity	Security
Cost	Security skills	Financial benefits	Standards
Technology	Confidence	Social benefits	Reputation
Infrastructure		Health and wellbeing benefits	
Language			

Source: Digital Inclusion Strategy

### Access – the ability to actually go online and connect to the internet

In 2015, HMRC reported in their Digital Exclusion and Assisted Digital Research report<sup>30</sup> that 15% of adults in the UK (equivalent to 7 million) were not online due to lack of access to the internet and/or other demographic and socio-economic factors.

The 2016 Office of Communications (Ofcom) Communications Market Report published in August 2016 stated that 14% of UK adults still did not have access to the internet at home, compared to 18% in 2014 and 15% in 2015. Additionally, 10% claimed they did not intend to get it over the next 12 months. 83% of those who did not intend to get it were aged 55 and over.

28 The Digital Inclusion Outcomes Framework – [https://goon-local-prod.s3-eu-west-1.amazonaws.com/resources/files/DI\\_OutcomesFramework\\_SUMMARY.pdf](https://goon-local-prod.s3-eu-west-1.amazonaws.com/resources/files/DI_OutcomesFramework_SUMMARY.pdf) (Published June 2015)

29 Government announcement – <https://www.gov.uk/government/news/government-plans-to-make-the-uk-one-of-the-most-digitally-skilled-nations> (Published 1 October 2016)

30 Digital Exclusion & Assisted Digital Research report – [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/457800/Digital\\_Exclusion\\_and\\_Assisted\\_Digital\\_research\\_publication\\_report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/457800/Digital_Exclusion_and_Assisted_Digital_research_publication_report.pdf) (Published August 2015)



We are concerned that levels of internet access at home are only slowly improving and despite the government's commitment under its 2015 Universal Service Obligation<sup>31</sup> to reduce the number of people without broadband access, recent media reports<sup>32</sup> suggest that there will not be an automatic roll out to areas of the UK that do not yet have it. Instead people will need to request that providers offer this service. This could result in a four-year delay until providers are legally obliged to do so.

Even if the government manages to achieve its targets of delivering superfast broadband (defined as 24 Megabits per second (Mbps)) to 95% of premises by 2017,<sup>33</sup> this still leaves an estimated 5% or 1.2 million premises without superfast provision.

Access may also be prohibitive for those who cannot afford to use digital services, such as some of the elderly, disabled or low income and vulnerable populations. 58% of respondents to our survey aged 60 or over and 20% of respondents to the complementary TaxAid survey did not have internet access.

It may also be prohibitive for those who have English as a second language or who are unfamiliar with the type of language commonly used online or whose everyday language skills are unequal to tasks they have to accomplish online. The 2014 Digital Inclusion Strategy for example, commented that 5% of UK adults did not have basic literacy skills and a report by the Joseph Rowntree Foundation<sup>34</sup> published in August 2016 stated that 5 million UK adults lacked basic literacy and numeracy skills.

It is interesting to note that although 91% of respondents to the complementary TaxAid survey had internet access at home, 45% were unable to use it either because they could not afford it or lacked capability as a result of a range of issues including poor English literacy, dyslexia, dyspraxia and/or a lack of confidence in Internet security.

### Skills – to be able to use the internet

A BBC Media Literacy study<sup>35</sup> found that in 2013, 21% of the UK population (approximately 10.7 million people at that time) did not have basic digital skills.

In 2016, Ofcom reported that 18% of UK adults without home internet believed they did not have the knowledge or skills to use it.

The Science and Technology Commons Select Committee<sup>36</sup> also reported in 2016 that almost 12.6 million UK adults lacked basic digital skills. It is important to note that these figures do not appear to have improved in the three years since the 2013 BBC Media Literacy Study commented on above.

The main reason that respondents to our survey, across all age groups, did not use a computer was because they did not understand how to, which is worrying. As noted earlier, respondents to the complementary TaxAid survey were prevented from using the internet due to a range of issues including lack of capability.

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31 Broadband Universal Service Obligation – [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/510148/Broadband\\_Universal\\_Service\\_Obligation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/510148/Broadband_Universal_Service_Obligation.pdf) (Published March 2016)

32 BBC media report – <http://www.bbc.co.uk/news/technology-36225971> (Published May 2016)

33 Broadband Delivery UK Delivery – <https://www.gov.uk/guidance/broadband-delivery-uk> (Updated 21 December 2015)

34 Joseph Rowntree Foundation report – <https://www.jrf.org.uk/press/5-million-adults-lack-basic-literacy-and-numeracy-skills> (Published 29 August 2016)

35 BBC Media Literacy: Understanding Digital Capabilities follow-up – [http://www.bbc.co.uk/learning/overview/assets/bbcmecialiteracy\\_20130930.pdf](http://www.bbc.co.uk/learning/overview/assets/bbcmecialiteracy_20130930.pdf) (Published (online) September 2013)

36 Digital Skills Crisis – <http://www.parliament.uk/business/committees/committees-a-z/commons-select/science-and-technology-committee/news-parliament-2015/digital-skills-crisis-report-published-16-17/> (Published June 2016)

Through increased education, the younger generation will not necessarily have a ‘lack of skills’ issue, provided they can afford to buy and run digital devices, but they may have limited life skills which means they may not fully understand their obligations. For today’s older people and the ageing society, difficulties may remain for years to come.

It is also worth considering, that today’s younger people will become tomorrow’s older people and although issues such as lack of confidence to use digital devices or services might not apply in the same way as they do for some older people today, difficulties that arise as a general consequence of ageing (many of which are referenced in the case studies available at [Annexe C](#)), will mean that lack of capability is an ongoing issue.

### Motivation – knowing the reason why using the internet is a good thing

ONS figures<sup>37</sup> published in May 2016, stated that 5.3 million UK adults had never used the internet.

The 2016 Ofcom Communications Market report stated that half of UK adults who did not have access to the internet at home in 2016 said they did not think they needed it. 90% of those who felt like this were aged over 55.

What would bring these people online? If they could see the benefits such as being able to bank and pay bills online and more easily access information that may well result in financial savings, they may be more inclined to try it.

For older people, the overwhelming reason why respondents to our survey aged 80 and over did not use a computer was a lack of interest in using one. This finding is also evidenced in our case studies available at [Annexe C](#). Motivating people in this age group may present a huge challenge. It is essential therefore that alternatives that are as good as digital equivalents are available.

### Trust – fear of the risk of online crime, or not knowing which credible services are available

Concerns around forgetting passwords, ‘hacking’ and security are recurring themes as to why many people avoid going online altogether. Giving credit card details online to make purchases makes many, particularly the uninitiated, nervous. This is compounded by continual news stories about ‘cyber-crime’ and how information like this is being stolen by hackers, and this is likely to continue.

Indeed, recent media headlines<sup>38</sup> cited ONS figures that almost six million fraud and cyber-crimes were committed last year. A government press release<sup>39</sup> and the Department for Culture, Media and Sport’s Cyber security report<sup>40</sup> published in May 2016, stated that two thirds of large business had been hit by a cyber breach or attack in the past year.

Evidence from the complementary TaxAid survey and the case studies available at [Annexe C](#) show that some of the most disadvantaged in society have a deep level of mistrust of authority. It is possible that this is as a result of difficulty they have encountered when dealing with different government departments over many years.

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37 Internet users in the UK – <http://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2016> (Published 20 May 2016)

38 BBC news – <http://www.bbc.co.uk/news/uk-36854413> (Published (online) July 2016)

39 GOV.UK press release – <https://www.gov.uk/government/news/two-thirds-of-large-uk-businesses-hit-by-cyber-breach-or-attack-in-past-year> (Published 8 May 2016)

40 Department for Culture, Media and Sport’s Cyber security report – [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/521465/Cyber\\_Security\\_Breaches\\_Survey\\_2016\\_main\\_report\\_FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/521465/Cyber_Security_Breaches_Survey_2016_main_report_FINAL.pdf) (Published May 2016)

In further support of the evidence cited above, the 2016 digital exclusion heatmap<sup>41</sup> produced by the digital skills charity Go ON UK graphically illustrates the scale to which digital exclusion still affects many areas of the UK. At the time of publication, the map showed that 12 million individuals and a million small businesses<sup>42</sup> were potentially digitally excluded due to either inadequate infrastructure or a lack of digital skills or both. In particular, many in Scotland, Wales and Northern Ireland faced difficulties in accessing the internet due to poor infrastructure and were therefore at risk of being excluded from accessing HMRC and other government digital services.

The heatmap also illustrated that there is often more than one factor that leads to digital exclusion, including not having access to suitable internet-enabled devices at home, or as is the case with many elderly people across the UK, not having the motivation or opportunity to learn how to use them.

It is vital that internet blackspots and lack of digital skills are eliminated. People need to understand the advantages of using digital technology and that access to government services is not the only benefit. They also need to be reassured that services are safe. Using the internet is vital to so many facets of 21<sup>st</sup> century Britain. It is crucial to future economic growth and is central to the government's digital strategy. Being unable to use it to access health services, to bank, shop, pay bills, find important information and engage in social interaction without leaving the house, puts people at a disadvantage. The importance and reliance on online transactions is only set to grow with the development of more government digital services such as HMRC's digital tax accounts.

With more people going online, the government feels able to justify its digital by default plans,<sup>43</sup> but unless issues such as those noted above are properly addressed we may find ourselves in a situation where they become major hurdles for some trying to complete everyday actions that are increasingly moving online.

The government needs to address these issues through approaches such as the Digital Inclusion Strategy and 2015 Universal Service Obligation.

But it also needs to ensure that alternatives, and importantly ones that are as good as the digital equivalents, remain for those who need them. Those who choose not to or are unable to go online should not have access to less information than those who can. Forms such as notices of coding (Form P2) and end of year calculations (Form P800) should continue to be automatically sent to those who have not registered to use digital services. Failure to do so will mean these people will be at a disadvantage. Letters or forms that fail to include a telephone number that people can use to get help or that include uniform resource locators (URLs) or invitations to download information is not providing those who cannot interact digitally with an equitable service.

If good alternatives are not offered, it will be harder for people to comply with their obligations and may result in some of the most vulnerable in society missing out on essential information and services.

Failure to address and try to help people overcome the barriers that stop them going online has the potential for ongoing repercussions for both government and individuals.

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41 Go-On UK, 'Digital Exclusion Heatmap' – <https://doteveryone.org.uk/blog/2016/04/digital-exclusion-heatmap-spring-update/> (Published 21 April 2016)

42 BBC News, 'More than 12 million fall into UK digital skills gap' – <http://www.bbc.co.uk/news/technology-34570344> (Published (online) 19 October 2015)

43 Digital by Default Service Standard – Government Service Design Manual – <https://www.gov.uk/service-manual/digital-by-default> (Published June 2015)

- **Ineffective use of information and services** – According to findings of the 2011 Skills for life survey<sup>44</sup> 5% of the UK adult population did not have basic literacy skills. In their August 2016 report, the National Literacy Trust<sup>45</sup> also stated that 16% of UK adults were functionally illiterate meaning they have literacy levels at or below those expected of an 11-year-old. People without basic literacy skills may not be able to find or recognise when information is needed by government and may find it difficult to read information from unfamiliar sources or on unfamiliar topics. They are also far less likely to interact digitally.
- **Increased delivery costs** – Those who cannot interact digitally place a burden on more ‘expensive to operate’ traditional channels. Increased costs are ultimately borne by all citizens.
- **Risks to service delivery** – In following its digital by default policy, government is unlikely to dedicate sufficient resource to non-digital channels. This poses risks to service delivery as a balance has to be struck between pursuing digital policy and meeting the needs of those who cannot transact in this way.
- **Ever increasing pressure on in-person channels** – Our survey findings demonstrate a continued preference by many users of government services for in-person channels. Across all age groups, the preferred method of communication for those unsure about using GOV.UK or interacting with HMRC online was to talk to somebody.<sup>46</sup> Our case studies and general observations from working with people also tell us that the digitally disadvantaged often seek assurance through face-to-face or telephone contact. There was a general nervousness amongst respondents to the complementary TaxAid survey about transacting online and 68% stated they would not or would be unlikely to do this. Even amongst those who can transact digitally, many go on to seek reassurance by speaking to somebody on the phone. This could be for a number of reasons such as not being sure they have found the right information or because they have not understood it or applied it to their circumstances correctly. The information available may also be either insufficient or perceived as complex. The GOV.UK principle to only create content that users’ need means that it often only deals with the most common situations and information that the majority of people need to know about. This means that there could be many people it fails to cater for who are then driven to seek advice from in-person channels, which completely defeats the object.
- **Lack of engagement** – Those who cannot transact digitally may in future be less likely to engage with government services or be less likely to do things correctly as these services increasingly move online. This runs the very real risk that some may enter the hidden economy, potentially increasing compliance costs for government.
- **Lack of trust** is a major barrier to overcome. This, compounded by low levels of engagement, lack of skills and functional illiteracy may lead to a lack of confidence in using government digital services and this will be the case in respect of dealing with a tax authority.
- **Environmental impact** – Where people cannot access government digital services at home or need help to do so, they may have to travel to public facilities or to intermediaries to access help. The reduction in the number of public facilities as a result of government cuts has potential impacts for the environment, particularly in rural areas where people may have to travel longer distances to reach these facilities.

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44 Skills for life survey – <https://www.gov.uk/government/publications/skills-for-life-survey-2011-important-findings> (Published 1 December 2011)

45 National Literacy Trust – [http://www.literacytrust.org.uk/adult\\_literacy/illiterate\\_adults\\_in\\_england](http://www.literacytrust.org.uk/adult_literacy/illiterate_adults_in_england) (Published August 2016)

46 See page 71 of our survey available at [Annexe B](#).

## Potential impacts on those who cannot interact digitally

- **Poorer access** – There is a risk that those unable to interact digitally will have poorer access to the full range of government services. As more traditional channels such as HMRC’s enquiry centres are withdrawn, those most likely to want to use these channels (because they do not have access or cannot interact digitally) are at risk of being cut off from vital government services and information. Unless suitable, easily accessible and robust alternatives are put in place, these people may lose out on claiming important advice and entitlements and find themselves potentially at risk of compliance issues and penalties. For some, retaining public access to computers is vital.
- **Not claiming what is due** – It is estimated that pensioners miss out on claiming around £3.7 billion of means-tested benefits they are entitled to.<sup>47</sup> Poorer, older people are also those most likely to be offline. In 2016, the ONS reported that nearly half of single pensioners had no internet access. If pensioners are already missing out we are concerned that they will become even more disadvantaged as the government relies more and more on providing information and services online. An example of this is HMRC’s Marriage Allowance service that was launched in April 2015 as an online only service with minimal external publicity. We comment more on this in the [HMRC Digital Services](#) section of this report.
- **Impacts different communities** – Although poorer, older people are statistically more likely to be offline, those unable to interact digitally exist across all socio-economic groups including the economically disadvantaged, people with disabilities, the poorly educated, refugees and migrants. As mentioned above, 45% of respondents to the complementary TaxAid survey were prevented from using the internet (despite having it at home) because of issues ranging from a poor command of English to physical and/or mental disability.
- We do acknowledge that those in isolated communities may not have had easy access to HMRC enquiry centres in the past, so they may see digital services as more attractive, providing there is broadband access that enables them to get online. Difficulties associated with living in rural areas such as a lack of acceptable digital infrastructure are highlighted in a 2015 report published by the National Farmers’ Union (NFU).<sup>48</sup> This report showed that 4% of respondents to an extensive survey conducted by the NFU had no internet connection, 58% had a download speed of 2Mbps or less, and 80% had an upload speed of 2Mbps or less. This lack of adequate digital infrastructure affects many aspects of a farm business including being forced to engage agents at additional cost where only digital options are made available. While issues such as lack of broadband access or mobile phone coverage remain, these communities are amongst those who will need alternatives to digital and/or be ever more dependent on help and support from services such as HMRC’s Needs Enhanced Support (NES) service.

## Other potential impacts

The inability of some people to interact or to find the right information digitally means that government may be unable to reach its different audiences. As a result there is the potential for increased reliance on the VCS to facilitate interactions with tax and benefit services for significant numbers of people. It is interesting to note that 70% of respondents to the TaxAid complementary survey had already used or tried to use HMRC’s helpline before going to TaxAid for help. If vulnerable people like this are finding it difficult or impossible to get help from HMRC over the phone, what hope do they have if in future all they have to rely on is a digital channel? There may be others who are not even aware of the existence of VCS organisations – how will they be able to cope

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47 Age UK, ‘Chief Economist’s Report’ – <http://www.ageuk.org.uk/professional-resources-home/research/reports/money/age-uk-chief-economists-report-summer-2015/> (Published Summer 2015)

48 National Farmers’ Union, *Spotlight on fibre broadband and mobile networks* – <https://www.nfuonline.com/assets/64162> (Published 2015)

with the changes? A shift to digital self-serve channels may save costs for government but the costs are displaced elsewhere.

Interestingly, since the final move of HMRC related content to GOV.UK in December 2014, visitors to LITRG's website increased significantly to an average of 1578 a day for the period 1 January to 6 April 2015, compared to an average of 832 a day for the same period in 2014. This number appears to be on the increase – for the same period in 2016, numbers rose to an average of 2647 a day and rising. Although we have no direct evidence to confirm that this increase is as a result of the move of information to GOV.UK, it is indicative of an ongoing and increasing need for support amongst those we represent. Additionally this need may grow as people either try to familiarise themselves with or come up against difficulties in trying to comply with the government drive towards greater digitalisation.

## Recommendations

- It is now more than two years since the previous coalition government published the Digital Inclusion Strategy. Government must confirm whether they intend to fulfil this strategy and instil confidence and motivation by publishing an update as to whether the April 2016 aims have been met and how much it is on target to addressing the 2018 and 2020 aims.
- For the strategy to succeed, the four main barriers people need to overcome before they will go online must continue to be addressed in the design and architecture of digital services as well as in the help and guidance that supports people to use them.
- Help and support must be readily available across a range of channels and at the point when people need it. More must be done to ensure the needs of specific groups are met such as those who will never be digitally capable or whose inability to interact digitally might diminish with age.
- Services must be safe and this must be effectively communicated so that people are reassured they can be trusted; the benefits of using digital services must also be effectively communicated so that people will be more motivated to use them.
- For the millions without internet access at home, we recommend that government reconsiders its approach and pledges to roll out broadband to areas of the UK without access. Public places such as libraries and job centres should continue to offer internet access but it must be recognised that because they often do not have the most modern IT equipment, they may not be totally reliable or secure.
- For those who cannot go online, reasonable and necessary adjustments must be made otherwise people unable to transact in this way face disadvantages.
- Digital inclusion should be a matter of choice, not mandation. HMRC should ensure that the services they develop and the help and support they provide is so much more convenient, quicker and easier to use than any alternative that people will naturally choose to use them. Migration to digital channels will then happen automatically.

# 5. Digital challenges for the older, disadvantaged and vulnerable population

Digital inclusion is also increasingly high on the agenda for many charities. Indeed there have been increases in central government funding for initiatives that help people get online such as the work being carried out by Go ON UK.<sup>49</sup>

Despite this, there remains the acknowledgement that some, such as those without basic literacy skills, may never be able to interact digitally.

The Cabinet Office aim to get 82% of all central government transactions online creates a problem for these people who are often the most vulnerable in society – older or disabled, on low incomes, poorly educated, refugees or migrants. According to the 2014 Government Digital Inclusion Strategy:

- Over 53% of people who lacked basic digital skills were aged over 65. 69% were over 55.
- 44% of people without basic digital skills were on low wages or were unemployed.
- 37% of those who were digitally excluded were social housing tenants.

In 2015 the Scottish Household Survey<sup>50</sup> showed only 69% of households in the country's 20% most deprived areas reported having internet access, as opposed to 83% in the rest of Scotland. There was also a similar variation in adult internet use depending on area deprivation. 25% of adults living in the 20% most deprived areas reported not using the internet compared with 16% in the rest of Scotland.

In addition, the 2016 ONS Bulletin – Internet users in the UK stated that 25% of disabled adults had never used the internet.

In this section we use findings from our survey ([Annexe B](#)), our case studies ([Annexe C](#)), the complementary TaxAid research ([Annexe D](#)), accepted research<sup>51</sup> and our general observations of working with the disadvantaged and vulnerable to comment on some of the challenges they face in going online.

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49 Go ON UK – <https://doteveryone.org.uk/>

50 Statistics quoted in Citizens Advice Scotland Bridging the Digital divide – [http://www.cas.org.uk/system/files/publications/bridging\\_the\\_digital\\_divide\\_-\\_final.pdf](http://www.cas.org.uk/system/files/publications/bridging_the_digital_divide_-_final.pdf) (Published 2016)

51 The 2016 Ofcom Communications Market Report – [http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr16/uk/CMR\\_UK\\_2016.pdf](http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr16/uk/CMR_UK_2016.pdf) (Published 4 August 2016)



## 5.1. The Older Population

Although we recognise that ability and skill varies enormously amongst the older population, for the purpose of this report we define older people as aged over 60.

Research<sup>52</sup> and evidence from case studies<sup>53</sup> available in [Annexe C](#) tells us that the ageing process is often, but not always, accompanied by physical, cognitive and/or behavioural change that can limit the ability to use technology. Research also tells us that older people are the least likely to be online. Our case studies, along with our wider observations from our work with older people, tell us that when they are online, they tend to use older devices and/or software.

As technology is a later development in their lives, older people do not tend to use it in the same way as younger people and do not take technological advances in their stride as easily as those who have grown up with them.

It is important to recognise that this does not of course apply to all older people. The more recently retired for example may, depending on their work, have spent years using technology and so may more readily embrace the government move to digital than older pensioners might. Others may have never used it.

A 2015 media report<sup>54</sup> highlights some of the issues faced by the older population. These and the challenges set out later in this section are not of course confined to older people; they are just prevalent within this group often as a result of decline that can come with age.

## 5.2. Disability and Digital Technology

Ofcom research<sup>55</sup> shows that people with certain disabilities may not have the necessary skills or equipment to successfully interact with government online. Published in 2015, this report stated that during 2014 only 65% of UK disabled consumers had internet access compared to 88% of non-disabled. Those with multiple impairments had the lowest level of access of all, at 49%.

In 2015, the Royal National Institute of Blind People (RNIB) published a research briefing<sup>56</sup> that summarised the findings from four separate Ofcom reports. The reports had focused on ‘disabled people’s communication use and experience’. The RNIB’s conclusion from studying the separate reports was that people with sight loss were less likely than people without disabilities to own a mobile phone, particularly a smart phone. Around one in ten participants involved with the Ofcom research with sight loss said that their disability prevented them from using their mobile device/service. Blind and partially sighted participants were also less likely than people without disabilities to access the internet or to have internet access at home. They were also more likely to have encountered internet or phone service problems in the preceding year.

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52 Nominet Trust – [https://www.nominettrust.org.uk/sites/default/files/NT%20SoA%20-%20Ageing%20and%20the%20use%20of%20the%20internet\\_0.pdf](https://www.nominettrust.org.uk/sites/default/files/NT%20SoA%20-%20Ageing%20and%20the%20use%20of%20the%20internet_0.pdf) (Published October 2011)

53 Older population – case studies 3, 8 and 9 available at [Annexe C](#) of the report.

54 Smashing magazine – <https://www.smashingmagazine.com/2015/02/designing-digital-technology-for-the-elderly/> (Published 5 February 2015)

55 Ofcom Research Report, ‘Disabled consumers’ use of communications services’ – [http://stakeholders.ofcom.org.uk/binaries/research/media-literacy/1515282/Disabled\\_consumers\\_use\\_of\\_communications\\_services.pdf](http://stakeholders.ofcom.org.uk/binaries/research/media-literacy/1515282/Disabled_consumers_use_of_communications_services.pdf) (Published 1 October 2015)

56 RNIB Research Briefing, ‘Communications technology and people with sight loss: A summary of Ofcom research’ – <http://www.rnib.org.uk/cy/knowledge-and-research-hub-research-reports-technology-and-television-research/communications> (Published 2015)



In 2016, the ONS<sup>57</sup> stated that 25% of UK disabled adults had never used the internet. Of those that had, younger users were more likely to have done so – 97.3% aged 16 to 24 years were recent internet users, compared to 99.4% of UK non-disabled adults. But only 30.8% of UK disabled adults aged 75 years and over had recently used the internet, compared to 48.1% of non-disabled. Across all age groups, the proportion of adults who recently used the internet was lower for those that were disabled, compared with those that were not.

Reasons for this can be many and varied and do not of course apply to all people with disabilities.

Lack of access due to cost may be an issue. Following a year-long enquiry, the Extra Costs Commission<sup>58</sup> estimated that disabled people faced extra costs of around £550 a month. Although acknowledging within their June 2015 report that savings could be made by being online, a lack of training, equipment and difficulty in accessing web content was preventing more from doing so.

Although some may qualify for Personal Independence Payment (PIP)<sup>59</sup> to help with extra costs associated with their disability, the costs associated with being online such as equipment, broadband connection and standing charges, still make this out of the reach of many.

Others already in paid employment, self-employment or wanting to start a job or Work Trial<sup>60</sup> may be able to apply for an Access to Work<sup>61</sup> grant to help with practical support to overcome work related obstacles resulting from a disability. Although this grant may cover certain aspects of technology such as adaptation of computers and other equipment, it does not appear to cover 'standard equipment' that would be needed whether the person doing the job is disabled or not. This may mean that costs such as getting broadband would not be covered.

Many disabled people do use digital technology and a variety of devices to get online such as voice recognition software that eliminates the need to use a keyboard, screen-reading software that reads aloud what is on a computer screen or hardware that allows a person to control a computer through subtle mouth movements. Additionally, as digital technology can improve or enhance their lives on a day-to-day basis, many will welcome the advances in digital development. As with the more general population however, not everybody is able to transact in this way.

There is no one size fits all answer to helping disabled people get online as different disabilities will have different effects on how people can access technology. It is important though to recognise that specialist equipment can often play a part and this must be borne in mind by those who develop digital services.

Particular challenges that prevent older and/or disabled people from going online include:

#### Access

- **Cost** – Devices, internet access and specialist software such as screen readers can be expensive.
- **Mobile device use less frequent** – Although a growing trend, use of smartphones is less frequent amongst both the older population and those with visual or motor disabilities. 2015 Ofcom research stated that

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57 Office for National Statistics Statistical Bulletin – <http://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2016> (Published 20 May 2016)

58 Extra Costs Commission – <http://www.scope.org.uk/About-Us/Media/Press-releases/June-2015/Extra-Costs-Commission-reveals-findings> (Published June 2015)

59 GOV.UK, Personal Independence Payment guidance – <https://www.gov.uk/pip/overview> (Updated 27 September 2016)

60 Work Trials are used to assess an individual's suitability for a particular job by giving them an opportunity to try out the job for a short period.

61 GOV.UK, Access to Work guidance – <https://www.gov.uk/access-to-work/overview> (Updated 8 September 2016)

only 30% of UK disabled consumers had a tablet, compared to 42% of non-disabled and only 41% had a smartphone compared to 66% of non-disabled. Difficulties with vision and motor control make going online using a smartphone or even a 'traditional' mobile phone impractical.

- **Visual or mobility impairment** – Texting is much less common amongst older people and although not having the requisite eyesight or manual dexterity can play a part, this is not always the case. Lack of familiarity with technology means that some believe it costs money even to receive a text message. Other conditions such as arthritis or Parkinson's disease can cause shaking of the hands which may make it difficult to operate mobile devices.
- **Hearing impairment** – Although there is no proposition that audio will be a fundamental part of digital services, it is a feature of assisted digital. Certain disabilities can affect hearing and hearing loss can increase with age as can the ability to process, absorb or act upon information received aurally.

## Skills

- **Lack of basic digital or literacy skills** – Owning a digital device does not necessarily make a person competent to use it. Evidence from our case studies<sup>62</sup> along with our wider observations from working with older people tells us that there tends to be a fundamental lack of familiarity with the devices they own. A mobile phone, for example, can primarily be a tool to make calls and a desk top or laptop may be used exclusively to video-chat with family or friends on the other side of the world. There is a common view amongst some older people that they may break their device so many remain hesitant to use it for anything other than the basics that they know. There is also a seeming assumption amongst software and web developers that if you own a device, then you know how to use it. This extends to the belief that navigation is instinctive and that everyone can click and scroll or understand what a taskbar, sidebar or main menu is. The lack of standard functionality, for example comparing an Android device with an Apple-based or Windows one, does not help with this problem. Another observation from working with older people is that there is a distinct lack of support available to help them understand technology. Those who contact Tax Help for Older People often say that when their children try to help them, they cannot keep up. Adult education courses tend to be primarily GCSE based which is not always appropriate for older people. Even those familiar with technology may become habituated to one type of system and find it difficult to switch to another or to help a family member who has a different type of device.
- **Cognitive function and memory** – One of the findings of the judge in *LH Bishop Electrical Co Ltd & Others v HMRC Commissioners* [2013] UKFTT 522 (TC) was that older persons take longer to learn to use a computer and make more mistakes. Research quoted at the hearing suggested that "reductions in cognitive abilities (especially spatial) may play a role in older adults' difficulty with computers."<sup>63</sup> Our case studies<sup>64</sup> also illustrate that those with difficulties with cognitive function often write things down such as passwords or reminders to do something. Some may not use or even be aware of things such as online calendar functions or password safes. Of course we recognise that older people still have the ability to learn new skills but different types of memory such as short-term, episodic and working memory affect how we use and retain those skills. For example, an older person may be able to learn and retain the capability to turn on a computer, access their web browser and use a search engine but accessing and using GOV.UK services and GOV.UK Verify may prove more challenging as this requires a combination of different types of memory to be able to recall how to access the service, their chosen identity assurance provider and log-in details. People also need to remember that an access code will be sent to either their mobile phone or landline in order to

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62 The older population case studies 5, 6, 7 and 12 available at [Annexe C](#) of the report.

63 See paragraph 398 of *LH Bishop Electrical Co Ltd & Others v HMRC Commissioners* [2013] UKFTT 522 (TC) – <http://www.bailii.org/uk/cases/UKFTT/TC/2013/TC02910.html>

64 The older population case studies 9, 18 and 19 available at [Annexe C](#) of the report.

complete the login process. And, as mentioned later in this section, if it is sent to their mobile phone, they also need to be able to understand how to access the SMS text.

- **Misunderstanding** – Older people may be unfamiliar with actions they do not do routinely or that others take for granted such as drag and drop and how to navigate pages and web links. This lack of familiarity means that there can be a tendency to misunderstand mobile devices. Although Ofcom reports<sup>65</sup> that 52% of the population aged over 75 owns a mobile phone, they are not wedded to them in the same way that younger people are. Many are on Pay As You Go services and keep their mobile phones switched off unless they need to make a call because they believe that just turning the phone on might cost them money.
- **Limited SMS use** – A 2015 Ofcom report<sup>66</sup> suggests that only 56% of users aged 65 and over send and receive SMS texts weekly. These people may only receive SMS alerts when they access their phone or they may not be able to access messages at all because of only a basic awareness of their phone's functions, perhaps limited to making and receiving calls. Texts have an ephemeral quality; once received they can be quickly forgotten. Once read, the person may recall having received the text but not the detail. They may also have difficulty in accessing the text again at a later date. Our case studies also illustrate that some people have never used their mobile phone to send or receive text messages.<sup>67</sup>

### Motivation

- There is a lack of awareness of the benefits of using digital services and also of the support and specialist equipment available, such as screen magnifiers or voice activated software that can help people do so.
- Generational divide, especially for those who have not grown up with technology, means that many older people feel it is something they do not need to be concerned with.

### Trust

- Amongst older people there appears to be a general lack of confidence and heightened mistrust of technology when compared with traditional communication methods, along with a fear and misconception about the dangers of being online.
- General concerns around forgetting passwords, 'hacking' and online security are also highest amongst older people, which means that many avoid going online altogether.
- Findings from a 2012 research report<sup>68</sup> carried out by the RNIB showed that some respondents were aware of their vulnerability to scams because of not being able to tell what was happening on the screen.

## 5.3. The vulnerable and low income population

As noted earlier in this section, government research shows that those in social housing, on low wages or unemployed are amongst the least digitally able. These are the people typically helped by TaxAid.

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65 Page 67, Ofcom, 'Adults' media use and attitudes 2015' – [http://stakeholders.ofcom.org.uk/binaries/research/media-literacy/media-lit-10years/2015\\_Adults\\_media\\_use\\_and\\_attitudes\\_report.pdf](http://stakeholders.ofcom.org.uk/binaries/research/media-literacy/media-lit-10years/2015_Adults_media_use_and_attitudes_report.pdf) (Published May 2015)

66 Page 67, Ofcom, 'Adults' media use and attitudes 2015' – [http://stakeholders.ofcom.org.uk/binaries/research/media-literacy/media-lit-10years/2015\\_Adults\\_media\\_use\\_and\\_attitudes\\_report.pdf](http://stakeholders.ofcom.org.uk/binaries/research/media-literacy/media-lit-10years/2015_Adults_media_use_and_attitudes_report.pdf) (Published May 2015)

67 The older population case studies 12 available at [Annexe C](#) of the report.

68 RNIB research briefing, 'Tackling Digital Exclusion: older blind and partially sighted people and the internet' – [http://www.rnib.org.uk/sites/default/files/digital\\_exclusion\\_report\\_accessible.pdf](http://www.rnib.org.uk/sites/default/files/digital_exclusion_report_accessible.pdf) (Published May 2012)

The 2016 Ofcom Communications Market Report published in August 2016 also stated that only 74% of semi-skilled, unskilled or non-working households (known as DE households)<sup>69</sup> had the internet at home, compared to 92% of higher or intermediate managerial, administrative or professional households (known as AB households).

TaxAid research, such as that documented at [Annexe D: Digital proficiency amongst the vulnerable and low paid taxpayer – a report from TaxAid](#) along with general observations from years of working with this population tell us that these are some of the most digitally disadvantaged people in the UK, who often have no internet access or are unable to access the internet because of capability issues such as illiteracy, innumeracy, dyslexia and dyspraxia. These issues are often accompanied by physical or mental ill health, drug and/or alcohol addiction. These people also frequently have multiple needs such as a lost job that leads to a broken relationship that then leads to homelessness and depression. Or they may have complex family relationships, suffer from domestic abuse and/or have difficult employment arrangements.

Interaction with government departments such as HMRC often takes place when matters have become very serious or complicated. For example, where a HMRC debt management and banking field officer knocks on a debtor's door to collect late filing penalties for tax returns not submitted, where none in fact were due because the person never got the promised contract under the Construction Industry Scheme (CIS) five years previously and has been employed since. Or for example, where a taxpayer receives a bill they do not understand and so ignores it until the collection of the debt through their tax code reduces their income to such a degree that they cannot pay the rent. By the time matters reach this stage, the help and support they need is often far beyond that offered by traditional HMRC channels. It would also be extremely difficult to deal with efficiently by purely digital channels due to the complexity and often urgent nature of the problem.

These examples illustrate a common problem for this group – a resistance to engaging with government. Expecting these people to engage digitally increases this resistance as it demands engagement through the channel they find the most difficult to use. This group must be enabled to engage and securing this engagement should take priority over the need to do so digitally.

It is also important to recognise that the low income and vulnerable population is not a static group. Life circumstances can, within a relatively short period of time, move somebody in employment and with a mortgage into a bankrupt person dependent on benefits and social housing and suffering from the associated disengagement this change of circumstances can bring. Steadily increasing levels of unsecured personal debt and low levels of savings amongst the low paid working population can also easily move people into this group.

Numbers taking temporary work because they cannot get permanent jobs, income from self-employment and the proportion of people entering work as low paid is worse than before the start of the 2008 recession.<sup>70</sup> Income from self-employment is also falling at a greater rate than it is for the employed and poverty rates are higher amongst self-employed families than for employee families working the same number of hours.<sup>71</sup>

It is clear from TaxAid research that although some of the vulnerable and low income population may indeed be able to go online they may need extensive help and support to do so. For those that do manage it there is a huge difference between being able to go online and being able to manage their tax affairs in this way on an ongoing basis. It is also clear that some may never be able to and for these people there needs to be an alternative.

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69 Geographics UK, Categories of UK Office for National Statistics socio-economic classification – <http://www.ukgeographics.co.uk/blog/social-grade-a-b-c1-c2-d-e>

70 Joseph Rowntree Foundation, Work and worklessness excerpt from the 'Monitoring poverty and social exclusion report' – <https://www.jrf.org.uk/mpse-2015/work-worklessness-intro> (Published 23 November 2015)

71 Joseph Rowntree Foundation, Self-employment excerpt from the 'Monitoring poverty and social exclusion report' – <https://www.jrf.org.uk/mpse-2015/self-employment> (Published 29 August 2016)

## Recommendations

- Government must invest time and resource to continue to work closely with the VCS to better understand the issues that face the most vulnerable in society.
- So that they can be accessible by all, digital services must be designed to address the different and ongoing needs of the older, disabled and disadvantaged taxpayer.
- It is important to recognise that younger and more elderly pensioners have different levels of capability and just because somebody is digitally competent at one stage in their life does not mean they will remain so forever. Age and ill health can easily turn a digitally competent person into one who is no longer capable. To stop people becoming excluded from services and information, HMRC must ensure that robust alternatives to digital are available and processes put in place that allow people to switch back from using digital services when they are no longer able to.
- For those lacking digital skills, support and advice across a range of channels must be easily accessible and readily available so that even the most disadvantaged have access to it. This support must be effectively signposted so that people know how to get it, and are able to get it at the point when they need it.
- HMRC, government and local authorities must work together to consider the impact of the closure of public facilities such as libraries who traditionally offer internet access. Those who find it difficult to interact digitally must continue to have access to the full range of government services.
- Government must recognise that just because somebody feels they are digitally competent does not necessarily mean that they are. It must therefore ensure that detailed guidance, advice and support is available to ensure people use its services correctly and safely.
- HMRC must introduce alternatives for those who will not be able to access SMS text or landline messages sent to remind them to file tax returns or check their digital tax account.
- Government's increasing reliance on providing information online and designing digital by default services such as the Marriage Allowance means that those who cannot interact digitally may lose out on obtaining important guidance, tax reliefs and entitlements. They may also find themselves at risk of compliance issues and penalties. HMRC's move towards offering electronic forms online will mean this is an ever increasing aspect of digital interaction. As the facility to print blank forms that people, trusted helpers or VCS organisations can complete and post decreases, the growing reliance on electronic forms may mean that those unable to use them will be at a disadvantage when making important claims. Printable versions must always be available for those without internet access. Failure to provide these could potentially lead to indirect discrimination and certainly raises concerns under the Equality Act 2010. HMRC must recognise that making a reasonable adjustment for those with a disability may mean retaining the option of paper forms or making some other non-electronic method available such as allowing people to make claims by phone.

## 6. The changing face of online access

In this section of the report we use accepted research to consider and comment on how online access across the UK is changing and how government digital services and support to use these services must accommodate this change.

Ofcom's 2016 Communications Market Report<sup>72</sup> illustrates how the UK communications market is rapidly changing. In recent years, with the roll-out of new technologies and services, increasing numbers of people have gained access to superfast broadband and 4G mobile network services.

Increased choice of where and how to access the internet is driving greater use of online services. The ONS reported in August 2016 that more than eight in ten people are going online almost every day.

Mobile devices are also increasingly used to access services online. The smart phone in particular continues to be an ever more important device for many people. In 2015, for the first time it overtook the laptop as the most important device for accessing the internet.

Despite this increased use shown by the research, it is important not to forget those who are not or cannot go online and to remember that smart phone and tablet use, and indeed internet access at home, is most prevalent amongst higher earning households and younger users.

It is also important to recognise that mobile devices need a reliable internet connection through either broadband data provision or network data access. The lack of a reliable connection could result in frustration and reluctance to access the internet through mobile devices, particularly when on the move. There is also a cost attached that those on lower incomes may find prohibitive.

### Findings from the report include:

**Decline in use of desktop and laptop** – In contrast to the rise of mobile devices such as smart phones and tablets, the use of laptops and desktops as the most important device to connect to the internet continues to decrease. In 2013, 46% of UK internet users said that their laptop was the most important device used to connect to the internet, compared to only 29% in 2016. And in 2013, 28% felt that their desktop computer was the most important device to connect to the internet compared to only 12% in 2016.

**Smartphone increase continues** – Between 2012 and 2016 there has been a huge increase in smartphone use. The 2016 report showed that 71% of UK adults owned one, compared to only 39% in 2012. Ownership was highest in AB households (76% compared to 62% in DE households) and amongst young adults. More than 9 in 10 of those aged 34 and under owned one. Smart phones are also increasingly used to access the internet at home. 66% of UK adults used them in this way compared to 61% in 2015.

The difference in ownership and use of smartphones between younger and older age groups however is stark. Although more than a third of UK internet users considered it their most important device to access the internet this was not equal across all age groups – over 90% of those aged 34 and under owned one and considered it to

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<sup>72</sup> Ofcom, 'The Communications Market Report' – [http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr16/uk/CMR\\_UK\\_2016.pdf](http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr16/uk/CMR_UK_2016.pdf) (Published 4 August 2016)

be the most important device to access the internet, compared to only 42% of those aged 55 and over who owned one but considered their laptop, desktop or tablet as their most important device for accessing the internet.

**Tablets also on the increase** – 59% of UK adults now own one compared to only 11% in 2012. Ownership is highest in AB households (67% compared to 43% in DE households). There is also a noticeable difference in ownership between younger and older age groups. 67% of those aged 25 to 34 and 70% of those aged 35 to 54 owned one compared to only 43% of those aged over 55. 67% of AB households compared to only 43% of DE households owned one.

**Laptops still play an important part** – 64% of UK adults own one. Again ownership is highest in AB households (78% compared to 48% in DE households). Use was higher amongst the 25 to 34-year-olds (67%) and 35 to 54-year-olds (74%) compared to only 50% of those aged 55 and over.

**Internet Access at Home** – Although 86% of UK adults claimed to have internet access at home, via any device, this varies by age. More than 90% of UK adults aged under 55 claimed to have internet access at home but only 87% of those aged 55 to 64 did. And for those aged 75 and over only 45% had access. Only 74% of DE households had access at home, compared to 92% of AB households.

## Recommendations

- There has undoubtedly been a rise in smartphone ownership but we are a long way from universal acceptance and use of this device. Government needs to keep up with the rapid rise in technology but at the same time recognise that not everybody will be able to access or use one. Although the increase in popularity cannot be ignored, it is important to recognise that older, poorer people and those with capability issues or motor/manual dexterity difficulties may not be able to access or use these devices.
- Government must acknowledge potential repercussions from an over reliance on smartphones such as not being able to save or print out a copy of information submitted to prove for example that a claim, enquiry or end of year declaration has been made. And what happens if a smartphone is lost or stolen and the information contained within it irretrievable? Although we recognise that this information could be saved on the 'cloud', not everybody, particularly some older people will understand what this is. There may also be costs attached to this, depending on the service and amount of cloud storage required. Issues such as this should be addressed as part of digital service design by perhaps offering users a page that confirms and displays evidence of contact history, for example information submitted or claims made along with the suggestion that people save or email a copy to themselves as evidence of their interaction with HMRC.
- Digital services must be designed so that they can be easily accessed by those who use mobile devices as well as those who use more traditional ways to access the internet such as laptops or desktop computers. Where needed, alternatives and alternatives that provide as good a service as the digital equivalents must be made available so that government information and services are accessible to all.
- User research must be carried out so that services are designed for the needs of all. We welcome the universal credit (UC) user testing carried out by the Department for Work and Pensions (DWP) amongst those with the least digital literacy and numeracy skills. The real test will however be when the roll-out goes wider as those claiming initially are new claimants with uncomplicated circumstances who are likely to be younger, less socially excluded and have more digital skills.
- We recommend that HMRC work closely with DWP to better understand and learn from the experience of building the UC digital service.

- HMRC should take advantage of the research cited in this report, supplemented with their own, to ensure that the digital services they design meet the broad spectrum of needs across the population.



# 7. Digital services and support

## 7.1. Providing information and guidance online – GOV.UK

The government's Digital Strategy anticipates a wholesale move towards providing its public-facing services online through GOV.UK, making it the primary source of government guidance and information. In this section, we comment on its ability to meet the needs of all users. We also consider whether the four barriers to interacting digitally – access, skills, motivation and trust – are being considered enough by those developing the service.

GOV.UK was created in 2012 to bring together cohesive and joined-up guidance and information from the major government departments thus avoiding the need to navigate individual departmental websites. This is particularly important where there are common areas of involvement for example: families on out-of-work benefits who need to claim jobseekers allowance from DWP, tax credits from HMRC and housing benefit from their local authority.

Tax information online was also originally fragmented across three websites: HMRC, Business Link, and Directgov. This made it difficult, particularly for those with lower levels of digital literacy, to access the information they needed.

Although we recognise GOV.UK as a potentially fantastic resource for many everyday transactions, we feel that it fails to meet user need, particularly for tax matters for the following reasons:

- **Depth of information** – We are concerned about the range, quality and depth of tax information available. In particular, we have found it lacks detail when trying to find guidance to help with unusual scenarios or more complex tax and benefit issues. It also fails to bring information together from a user's perspective, for example content does not explore the interaction between tax credits administered by HMRC and benefits administered by DWP.
- **Accuracy** – Equally concerning is the speed at which content is updated to reflect changes. Even at the end of March 2016 the Income Tax Rates pages<sup>73</sup> gave no indication of the announced changes in Personal Allowance from 6 April 2016 other than a statement that there would be 'new allowances and bands' after 5 April and unhelpfully linking to a policy paper<sup>74</sup> that would be incomprehensible to the casual user.
- **Poor navigation** – In common with commercial websites, the vast majority enter GOV.UK via a search engine or other external link. Once inside, users then navigate from page to page through GOV.UK links and the search facility. Although the 'needs-based browse'<sup>75</sup> approach to navigation, first introduced in July 2015, is starting to bring together related topics, the search facility also needs to be more intuitive. For example, if you want to know how much income tax you should pay you might start by entering 'how much tax should I pay?' as a phrase. In November 2016 entering this in the GOV.UK search facility resulted in an incredible 28,924 results. Applying a 'filter' to search for HMRC-only related content would bring you closer to what

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73 GOV.UK, Income Tax rates: Personal Allowances – <https://www.gov.uk/income-tax-rates>

74 HM Treasury Policy Paper, 'Tax and tax credit rates and thresholds for 2016-17' – <https://www.gov.uk/government/publications/tax-and-tax-credit-rates-and-thresholds-for-2016-17/tax-and-tax-credit-rates-and-thresholds-for-2016-17#bands-of-taxable-income-and-corresponding-tax-rates> (Published 25 November 2015)

75 GOV.UK Blog, 'Rebuilding browse based on user needs' – <https://insidegovuk.blog.gov.uk/2015/07/14/rebuilding-browse-based-on-user-needs/> (Published 14 July 2015)

you are looking for, but of course you have to understand what a filter is and know which option within the filter to use. By contrast, asking the same question in Google links quickly and seamlessly to a calculator on the Moneysavingexpert.com website<sup>76</sup> as the first search result. This calculator can be used to estimate take home pay on a weekly, monthly or annual basis. Although this is of course not an endorsement of the Moneysavingexpert.com website it is an example of how effectively search engines can be used. Unless GOV.UK becomes more intuitive and provides appropriate answers to questions, people will struggle to use it as their first choice for government online information.

- **Slow implementation** – We acknowledge that GOV.UK is improving and is subject to constant amendment based on user feedback. Although we welcome developments such as ‘needs based browse’, we are concerned that the initial revised content (on ‘parenting and childcare’) based on this approach took nearly two and a half years to implement.

While we wholeheartedly welcome the partnership between government, public, private and voluntary sectors to promote digital inclusion, there is little point in educating people about digital if when they get online they are unable to find the information they need or are unable to complete their transaction because GOV.UK provides inadequate information and is frustrating to navigate.

The omission of key information leads to additional enquiries which defeats the purpose of a cost-effective one-stop resource for public information. The continued reliance on GOV.UK to provide for taxpayer needs means that guidance in hard copy format is much less available or accessible. Those not online are therefore at risk of missing out on essential information or guidance and/or may have to incur additional costs calling HMRC helplines. In extreme cases they may be wholly unable to comply with their tax obligations, having previously had no such difficulty.

Despite ongoing improvements, GOV.UK remains difficult to use and navigate even for those with digital skills. It neglects to provide answers to complex legislative questions and this, along with painfully slow updating of content, means that motivation to use it and lack of trust in the accuracy of the information it provides seriously undermines the service. To the most vulnerable in society it is perceived as complex, slow and confusing. 49% of respondents to the TaxAid complementary survey had never used GOV.UK and of those that had, only 12% had used it for more than one purpose, such as renewing car tax. Many felt that despite searching for information, it did not give them the detailed help they needed.

We feel therefore that currently GOV.UK fails to meet the needs of users, not only the more vulnerable who may have to overcome challenges such as access, skills, motivation and trust to use it but also the professional community as the only detailed information available to them on GOV.UK is in the form of online HMRC manuals.<sup>77</sup> Although these are comprehensive, the layout means that there is very little detail on any one page so in order to find the information you need, you have to search through the entire manual. Added to this the GOV.UK search engine invariably provides multiple results when searching for a specific manual.

## Government Content Principles

In this section we comment on the Government Digital Service (GDS) principles<sup>78</sup> that promote a common strategy for designing and managing online content across government. These principles govern all content published on GOV.UK:

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<sup>76</sup> Moneysavingexpert, Income Tax Calculator – Find out your take-home pay – <http://www.moneysavingexpert.com/tax-calculator/> (Accessed 24 March 2016)

<sup>77</sup> HMRC manuals – Updated 24 February 2016.

<sup>78</sup> Inside GOV.UK Blog – <https://insidgovuk.blog.gov.uk/2015/03/05/thinking-big-content-strategy-principles-for-government/> (Published 5 March 2015)

**1. Do less:** only create the content that users need and that you can maintain.

GDS would say that this is their ultimate goal, hence it is the first. But it is important to recognise that content has to be a balance of quantity and quality. Apart from the publication of HMRC manuals, the remaining HMRC related content is limited to the 'must haves' and for some users, particularly for professionals and advisers, this is simply not enough.

**2. Content decisions must be made by skilled and supported content designers**

GDS relies on various subject matter experts across government such as lawyers and policy experts to ensure the accuracy and legal veracity of its content, however, because of the push for clearer, simpler, and faster information, detailed technical content is somewhat hidden primarily because it is not linked to from the primary content.

**3. User need:** content is based on valid user need or is something that needs to be published for legal or transparency reasons.

GDS acknowledges that GOV.UK is an active, living website that will never be 'finished'. To continually iterate the content, they rely on user feedback through its pages. GDS must recognise that it needs to better engage with external subject matter experts such as LITRG, and do this early in the iteration process to gain invaluable insight into what content is needed.

**4. Know your content:** audit your content to identify problems and continually improve.

GDS acknowledges that it does not do everything right first time and that much of GOV.UK can be improved. Indeed in March 2015 they reported<sup>79</sup> that they receive approximately 400-500 pieces of anonymous feedback and 300-350 named enquiries from users each day. Although GDS states that these numbers are low relative to the 2.7 million visits they receive each day, it is still an indication that user requirements are not fully catered for. If content and navigation was better designed with user need in mind there would be fewer resource implications of continually revisiting content or responding to named enquiries either directly or by routing them to the appropriate government department.

**5. Have a plan for when content is no longer relevant for users**

Although we accept that some content should be archived, we would argue that much HMRC tax, benefits and credits information has an ongoing validity for at least as long as disputes may arise on actions taken as a result of that content. Because of the iterative approach used, previously published content can disappear. Where this content was inaccurate and/or incomplete, the onus is put on the taxpayer or user to prove the advice given at the time. This is an unfair burden.

**6. Know when you are busy:** plan for peak publishing periods.

From a HMRC-related perspective, the public would expect to see additional tax related content around Budget announcements, and amendments to web-pages that quote tax or benefit rates almost instantaneously when rates are announced. Accepting that GDS has a finite publishing resource, priority must be given to updating such content.

**7. Maintain your content team:** have a training plan for people who maintain and create new content.

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<sup>79</sup> Government Digital Service Blog – <https://gds.blog.gov.uk/2015/03/06/gov-uk-isnt-finished/> (Published 6 March 2015)

Developers must always be on top of new technology and the way people use that technology to interact with government. In recent years there has been a marked rise in tablet and smartphone use to the extent that for some this is the default method for accessing information online. Although this should be recognised, content needs to be designed in different formats to cater for all devices.

**8. Use the best format and channels for your content:** not everything has to live on GOV.UK

Presenting a bewildering number of results for a simple search engine query is not the best way to make information accessible and may overwhelm and confuse those trying to use the service. For example why should technical site-developer specific content be available to anybody who searches GOV. UK? If users find content easily then they are more likely to see the benefit of using GOV.UK and be motivated to use it again. Provide the right level of detail and those who can use GOV.UK as their default method of interaction with government will do so.

**9. Collaborate:** especially with those outside your team, department or agency.

To ensure that GOV.UK content meets the needs of all audiences, make use of external expertise such as VCS representative groups who might themselves be users or who undoubtedly have a wealth of experience and expertise in dealing with particular groups. Learn from them and act on the feedback they give.

**10. Create seamless user journeys**

With the ambition that people should have seamless user journeys whether online or offline, developers need to be as aware of what does not work as of what does work. How seamless is a process that allows for forms to be completed online, but can only be submitted by post such as the Child Benefit claim form (CH2)?<sup>80</sup>

**Recommendations**

- GOV.UK must be improved to meet the needs of all users. Unless it is made easier to access and navigate and people can trust that the information presented is accurate, complete and up-to-date, they will not be motivated to use it.
- Learn from successful commercial sites and incorporate their user friendly approach. Unless the search facility is improved to meet the needs of all users GOV.UK will never properly fulfil its remit as the primary source of government guidance and information.
- GDS should set up regular meetings with stakeholders such as LITRG, TaxAid and Tax Help for Older People to give us the opportunity to input into the style, tone, accuracy and comprehensiveness of GOV.UK content, at an early stage.
- There should be clear signposting to where users can find earlier/archived versions of HMRC tax benefits and credits information. This information should be retained and available for at least as long as disputes may arise on actions taken as a result of what has been published.
- Content should be updated as soon as possible when new information is available. Notifications that changes are imminent should be clearly displayed on all relevant pages.

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<sup>80</sup> GOV.UK, Child Benefit: claim form (CH2) – <https://www.gov.uk/government/publications/child-benefit-claim-form-ch2> (Updated 10 November 2016)

- To give confidence and familiarity and ensure access for those with specific needs, GDS must consider the language and colours of buttons and banners used so that these are clearly identifiable by those with diminished vision. GDS should implement the 3-click rule whereby a user reaches the information they need within three clicks. There should also be touch areas for touch screen mobiles. Individual web pages on GOV.UK are generally well-designed from this perspective but overall site navigation must be improved.
- To help with searching, GDS should introduce a filter to distinguish between results for individuals and employers. Search engine optimisation should separate public from internal content.
- GDS must continue to recognise that because of rapid changes in technology, content needs to be designed in different formats to cater for all devices.

## 7.2. Digital services

In this section we look at and comment on GOV.UK Verify and some of HMRC's digital services.

### 7.2.1. GOV.UK Verify

GOV.UK Verify is a way for people to prove who they are when using online government services. It uses certified companies (or ID Assurance providers) to verify identity to confirm the person trying to access the service is entitled to do so.

It is one of the access routes into the personal tax account and many other HMRC online services.

User experience of GOV.UK Verify has to date been poor. Once registered with an ID Assurance provider there are few issues but the main hurdle for many has been the initial registration process which has been made difficult by the fact that until recently people needed a passport or UK photo card driving licence to verify identity. This excluded many, including older people who no longer have passports or driving licences, from using the service and as a result from interacting online, not through lack of skills or access but through a lack of the required evidence.

To address this, the Cabinet Office has committed to expand the range of evidence that can be used to confirm identity and with the advent of more providers this is happening, for example some providers will now use any passport or EU identity document as evidence.

Each provider does however still have different ways of verifying identity and although people can choose which one to use, in reality that choice may be limited by the evidence they hold or the evidence a provider is willing to accept. In some cases this amounts to no choice at all.

All providers are required to include a two-stage login process to protect people from having their credentials stolen or compromised. This means that at each login (after the person has input their username and password) the provider sends them a unique code – either by SMS text, to a landline phone or via an app. This code needs to be input before they are allowed to go further. This means that even if someone steals a username and password they cannot easily use them because they are unable to complete the second step.

This process has created problems for those unable to receive the code because they do not have a phone or have a poor signal. To address this, one provider now uses a new authentication system that relies on a PIN code and

software token<sup>81</sup> as an alternative. This means people no longer need another device to complete the verification process. This provider requires a UK passport or driving licence to verify identity so cannot be used by people who do not have these documents.

Other developments to try to make it easier for people to verify include using a payment card as identity evidence, where people are required to make a transaction with the provider using their credit or debit card for £0.00. Card details are checked as if a normal transaction was being made.

Faced with this myriad of choice of provider and different ways to prove identity, it is hard to envisage how unrepresented, vulnerable, taxpayers will find it easy to use GOV.UK Verify, even if they do have moderate IT skills. Although once registered the services appear to work well, signing up in the first place still presents a huge challenge for many.

Indeed, because completion rates have been so poor (less than 50% of people have successfully managed to verify identity through GOV.UK Verify) HMRC have introduced their own identity assurance process that can be used as an alternative by those wanting to access HMRC's digital services. Based on an enhancement of the Government Gateway access route, users who have (or set up) a Government Gateway account are now also asked to complete a two-step verification during which they have to answer some additional security questions based on things HMRC already know about them such as information from their last P60. As part of this process, HMRC send an access code to their mobile phone or landline. They send a new access code every time a user signs in. This 'enhanced' Government Gateway is now HMRC's preferred method of verifying identity for those who want to use their digital services.

Although we understand HMRC's stance on this and their need to make it easy for people to access their digital services, it surely cannot be cost-effective for HMRC or GDS to maintain two parallel systems indefinitely. We are also concerned that those without either their own mobile phone or landline or access to somebody else's will be unable to use digital services because there is no way of receiving the access code that is an essential part of the sign in process.

## Recommendations

- The option to access digital services through different routes, such as the Government Gateway and GOV.UK Verify should be a temporary measure. Government should formally assess the viability of GOV.UK Verify and based on that assessment decide whether to pursue or abandon it as a means for verifying identity. There must be one route that it is completely fit for purpose. Considering the ongoing problems people are experiencing with GOV.UK Verify, there may be a strong case for instead using the 'enhanced' Government Gateway currently being successfully used by HMRC to allow people to access their digital services.
- To avoid confusion, while the 'enhanced' Government Gateway is HMRC's preferred access route, reference to GOV.UK Verify from within HMRC's digital services should be removed.
- Despite HMRC's preference that people use the 'enhanced' Government Gateway it is still possible for people to use GOV.UK Verify. So that people understand which services they can access through which route, we recommend that as an interim measure (until government makes a decision as to which service should be used), HMRC develop an easy-to-use guide that sets this out along with information on what support is available to help people use these services.

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81 A software token is a type of two factor authentication security device (in the form of a "cookie" on a PC or a downloadable piece of software or application for mobile devices) that can be used to confirm a person's identity.

- For those without access to a mobile phone or landline, HMRC must introduce an alternative means of receiving their access code.

## 7.3. HMRC Digital Services

By 2020, every small business and individual in the country will have their own digital tax account. In this section we consider and comment on some of the digital services being developed as part of HMRC's MTD programmes.

### 7.3.1. Making Tax Digital (MTD) for Individuals

MTD for Individuals proposes that every individual taxpayer will have access to their own digital personal tax account. The account will be simple, personalised and secure and offer an increasing range of services.

#### The Personal Tax Account (PTA)

The PTA is designed to enable individual taxpayers to access, check and manage their personal tax affairs online.

As the account develops, things people will be able to do include: check their up-to-date liabilities, make payments, claim for certain allowances, tell HMRC when their circumstances change and see immediately what changes mean for the tax they need to pay. They can also track forms submitted online and appoint somebody to access their account on their behalf. More services are being added all the time. Eventually HMRC envisage that people will use their account to conduct their tax affairs with HMRC online in the same way as they do an online bank account.

In time, information that HMRC hold from various sources such as data relating to different taxes and tax credits will be inserted automatically ('pre-population') so that people can see their liabilities and payments all in one place.

Since the development of the personal tax account presents no fundamental change to the concept of individual responsibility for one's own tax affairs, it is vital that it is easy to access and that people trust the service and understand the benefits of using it.

#### Recommendations

- It is important that PTA information is presented in a way that can be easily understood, for example it may be confusing to have information on different sources shown across several screens. Changes to information must also be effected quickly and efficiently. Unless this happens, we are concerned that the average user or those with particularly complex affairs, even with all of the facts presented to them onscreen, may struggle to work out tax owed, how this has been calculated or what entitlements are due.
- To instil trust and motivation, HMRC need to improve the way they communicate and share information about the security measures they have in place. This will help reassure people that their information is secure and the quality of any pre-populated data is accurate.
- We are concerned that PAYE data drawn from employer Real Time Information (RTI) submissions may not always be accurate. The system is not infallible and where people change employment frequently or have multiple employments, errors can too easily occur. HMRC should introduce processes that make it easy for an individual to challenge data they think is incorrect without fear of repercussions such as penalties.



- Changes introduced as a result of the PTA should not cause delays or require people to take action where previously none was required. We are concerned, for example, that taxpayers due a repayment as a result of the end of year P800 reconciliation process would in the past automatically have received one. Changes to this process now mean that individuals need to log into their PTA to provide their bank details or phone HMRC to request that the refund be paid. If they do neither, there will be a 45-day delay in making the refund. For those without access or skills, this results in additional burden, cost and potential delay in receiving money owed to them.
- As mentioned previously, although we welcome the fact that it is now easier for people to access their PTA through HMRC's 'enhanced' Government Gateway process, we feel that having different access routes to use digital services is confusing. In addition to the potential confusion of whether to use the Government Gateway or GOV.UK Verify, there is not always a clear route for accessing individual services themselves. Some, for example, are accessible via the PTA and others direct from GOV.UK. Government should choose one route and ensure it is fit for purpose so that everybody who needs to access digital services can do so quickly and easily.

### 7.3.2. Marriage Allowance

Marriage Allowance is an important allowance for couples on low incomes. In 2016/17, eligible couples can save up to £220 by transferring some of their allowance to their spouse or civil partner.

When first launched in April 2015 (with minimal publicity), it was not possible to register an interest in the allowance unless you had access to the internet. People were required to register online with HMRC after which they were sent a link to enable them to complete their application, also online. Telephone applications were only accepted from September 2015, meaning those without internet access, including many low-income and older taxpayers, could not access the service until then, providing they could find the telephone number in the first place.

Those who managed to register online and received the link, had to then prove their identity through GOV.UK Verify. At the time, it was impossible to use GOV.UK Verify unless people held a UK passport or photo card driving licence and a mobile phone on which to receive an access code. This meant that many who registered early to take advantage of the new service were unable to do so. There was also no help or advice available to tell those who failed to have their identity verified what to do next.

Because of the issues experienced with GOV.UK Verify, HMRC now offer an alternative method of verification for Marriage Allowance applications. As with the 'enhanced' Government Gateway route described in the previous section, this involves the applicant answering a series of questions based on information HMRC hold, making the allowance more accessible for many. Those who apply direct from GOV.UK do not however, have to have an access code sent to their mobile phone or landline in order to apply. People can now also apply for the allowance through their personal tax account.

In addition to the GOV.UK Verify issue, the information published on GOV.UK was incorrect. One condition to be satisfied in order to claim Marriage Allowance is that neither of the spouses or civil partners involved pay tax at a rate higher than the basic rate. GOV.UK states<sup>82</sup> 'To benefit as a couple, you (as the lower earner) must have an income of £11,000 or less.' This is clearly incorrect and despite providing feedback to both GDS and HMRC, the information on GOV.UK has not been corrected, potentially leading to the situation where eligible people could miss out on an allowance to which they are entitled.

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82 GOV.UK guidance – <https://www.gov.uk/marriage-allowance>



It is also worth noting that although the application was easy to navigate, required minimal information and was presented in GOV.UK style there was little advice on how to complete it should people need help.

The issues commented on here may account in part for the low take-up of the allowance. When announced in the 2013 Budget HMRC expected a 70% take-up in the first year (2015/16). Figures published in March 2016,<sup>83</sup> suggest that only 12% of the 4.2 million potentially eligible couples did so.

### Recommendations

- Digital services and access to them must be thoroughly tested, ready and fully functioning before they are launched. Although we recognise that through agile development services will continue to be improved, they must be fit for their minimum purpose at the time of introduction. Agile developments should make functionality better, rather than be used to fix myriad flaws and glitches that result in people hitting brick walls when they try to comply.
- Robust publicity along with appropriate help and support should also accompany the launch of all services.
- Guidance published on GOV.UK must be improved. As at November 2016, there is still no information on ways to apply for Marriage Allowance other than online. Neither is anything published that tells people where to call should they need help to complete their online application.
- For those unable to access digital services, there must always be an easily accessible alternative route available so that access to information, services and entitlements is available to all.

## 7.3.3. Tax Credit Online Service

The tax credits system is administered via a combination of digital and more traditional processes. As with all HMRC digital services, the service is in active development and as such is subject to regular change. Here, we comment on some of the aspects of this service.

### Check eligibility and order a claim pack

A simple 'do I qualify' questionnaire and a more detailed calculator is available on GOV.UK for people who want to check if they are eligible to claim tax credits. To make a claim, people can either request a claim pack through the tax credits helpline or order a claim pack online that is sent to them by post. The claim pack online order form is an old style HMRC branded one which smartphone users may find frustrating as pages are clearly not optimised for smartphone use in the same way that GOV.UK online forms are.

### Make a claim

Unlike UC, claims currently cannot be made online. When tax credits began in 2003, claims could be made online. However, the online claims portal was closed in late 2005 following organised fraud attacks and has never been reintroduced. While this is at odds with HMRC's digital strategy, based on current planning tax credit claims will no longer be possible from 2018 due to the introduction of UC, so while being able to claim online would be a desirable step forward, it may not represent value for money.

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83 Office for Budget Responsibility, 'Economic and Fiscal Outlook', Page 117 – <http://cdn.budgetresponsibility.org.uk/March2016EFO.pdf> (Published March 2016)

## Renew a claim

Although an initial claim cannot be made online, people can renew online once they receive their postal invitation to do so. The renewal pages are to the current GOV.UK standard and therefore accessible through mobile devices such as smartphones.

Claimants can also complete their annual renewal through the 'Manage your tax credits' digital service which is accessible directly on the tax credit pages on GOV.UK<sup>84</sup> or they can access the service by going through their PTA. The service can also be used to check their next tax credits payment details and report changes instead of having to phone or write to HMRC.

The majority of changes of circumstances can be reported online whether associated with a renewal declaration or not.

## Recommendations

- Interacting with government online whether that be completing a claim form or using a digital service should have a consistent look, feel and familiarity and be accessible by users of all devices.
- The combination of traditional and digital processes might feel disjointed and confusing to some but others may welcome a combination that will allow them to take their time to fill in a long paper based claim form and then do a quick online change of circumstances such as updating a bank account number. To establish what users want, digital services and supporting processes must continue to be designed based on feedback from user research.
- HMRC should work closely with the DWP to establish what can be learnt from the UC pathfinder trial user research that DWP carried out amongst those with limited digital, literacy and numeracy skills. Where appropriate, HMRC should use these findings to contribute to the development of their own digital services.
- HMRC must ensure that while the tax credits system exists it continues to be available to those who cannot interact digitally. Support and guidance must continue to be provided so that the service is easily accessible by all.

## 7.3.4. Making Tax Digital for business

It is proposed that from April 2018 most businesses, self-employed people and landlords with gross income/annual turnover above £10,000 will be required to keep track of their tax affairs digitally via software. They will also be expected to update HMRC at least quarterly (rather than annually) via their digital tax account.

HMRC envisage that businesses, quite wrongly in our view, will no longer need to deal with tax as a separate business activity. Instead, tax information will be integrated with business records and businesses will send HMRC information direct from their accounting software.

New application programming interfaces (API) being developed between HMRC and external providers will interact with existing third party software packages run by agents and employers.

Businesses that already use digital tools and commercial software to record their accounting information and submit electronic returns are likely to benefit the most. They may however need to upgrade their software. HMRC

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84 GOV.UK – <https://www.gov.uk/manage-your-tax-credits>

have said that this is likely to be done through commercial software providers whom HMRC will work with to ensure that products will be available at a range of prices.

For those without compatible software, HMRC have committed to ensuring that free apps and software will be available for small businesses with the simplest affairs. HMRC do not plan to produce the software themselves.

HMRC accept that many businesses will need help to adjust to the new way of keeping records such as recording income and expenses using MTD compatible apps and software rather than as they do presently. They anticipate that this help will come primarily from the tax profession, friends and family and the VCS. HMRC will mainly provide online support such as webchat and virtual assistant.

We are concerned that the introduction of compulsory quarterly reporting could lead to greater burdens on businesses, particularly those for whom the benefits of MTD are negligible. This includes those who do not currently maintain business records using accounting software or use software that is incompatible with HMRC's digital tax accounts. These businesses may struggle to adapt and have to spend considerable non profitable time transposing their business records onto new systems. We feel it is very harsh that the smallest businesses with the lowest profit margins may be required to undertake significant investment and training in computer technology simply in order to comply with HMRC mandated requirements. This could have the effect of driving businesses into the hidden economy, particularly if registering and reporting seems difficult, complicated, expensive or time consuming.

Additionally, we are hugely concerned that the current planned timetable for the introduction of MTD for business does not, considering the level of change involved, allow anything like sufficient time for HMRC to properly publicise MTD and educate people; for businesses to prepare; and for the software (which is absolutely crucial to the success of MTD) to be fully developed and tested.

HMRC's own research<sup>85</sup> found that three in five self-employed taxpayers are to some extent digitally disenfranchised and it will take significant resource and potential compliance risk to bring these people on board in the planned timescale. This along with fact that the final design (and perhaps more importantly, the customer journey under that design) is far from being determined suggests that the proposed roll out timeframe will present a considerable challenge.

## Recommendations

- We strongly urge HMRC to delay the commencement of MTD until the design, including how customers will be supported through the transition and ongoing process, has been completed and fully tested. A more relaxed introduction will lessen the chances of the public quickly losing faith in the system and reduce the chance of compliant taxpayers making mistakes due to having to rush into unfamiliar territory.
- Do not make MTD for business mandatory. Instead, adopt the approach taken with self assessment online filing, the take up of which has been very successful without being mandatory. If a product is good, easy-to-use and beneficial, people will naturally migrate to it.
- Substantially raise the exemption level above the proposed limit of £10,000 annual turnover, at least for the early years of the MTD programme. We believe it should initially be set at the VAT registration threshold – something which most businesses are at least aware of. This should mean that MTD for business will be more successful from the outset as the traders for whom the requirements of MTD will potentially be more problematic will be below the exemption limit.

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85 HMRC Research Report, 'Digital Exclusion & Assisted Digital Research' – [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/457800/Digital\\_Exclusion\\_and\\_Assisted\\_Digital\\_research\\_publication\\_report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/457800/Digital_Exclusion_and_Assisted_Digital_research_publication_report.pdf) (Published 17 August 2015)

- HMRC must provide a full range of support to businesses, including financial support where appropriate. Increasing the exemption limit will mean that less resource will be needed to do this.
- Where there is a requirement to have software in order to comply with legal obligations, we believe that government should be responsible for providing the software, free of charge. We therefore urge HMRC to provide good, free software to small businesses rather than rely on commercial businesses to provide this.
- In doing so, HMRC must give careful consideration to the minimum level of functionality required by that software. Anything produced should be compatible with existing software and make it easy to transfer data from one system to another. Free software produced by HMRC should be as good as that produced by commercial suppliers. It is unfair that those that cannot afford to pay should receive an inferior product. If HMRC decide not to produce free software, we are concerned that commercial solutions will not be or will not remain free of charge.
- If the expectation remains that some businesses will need to purchase new software, we recommend that before they push ahead with their current MTD roll out plans, HMRC should carry out a robust cost/benefit impact assessment of making the transition to digital services. A recent NAO<sup>86</sup> report flagged up the risk that this has not yet been done for either individual taxpayers or businesses.
- HMRC should reconsider their stance that support will primarily come from third parties including friends and family. We feel that that the passing of responsibility to provide support, other than online support, is not acceptable.
- We recommend that HMRC adopt a 'light touch' approach to compliance, for example enquiries, determinations, discovery and penalties in the early years of the MTD rollout programme.
- HMRC must ensure and reassure people that their information is secure and the quality of any pre-populated data is accurate and can be trusted. HMRC systems are not infallible. In 2013/14 the tax community<sup>87</sup> reported a glitch that meant HMRC computers refused to accept a number of correctly calculated returns submitted through commercial software. It was later shown that the HMRC calculations were incorrect. This led to overpayments of tax and stress and inconvenience for those who had to claim this back. As recently as August 2016 a member of LITRG staff received confusing, conflicting and incorrect information from HMRC that he challenged and that is now being investigated. Others less knowledgeable may have simply accepted HMRC's version of events and found themselves in an underpayment situation through no fault of their own. With the increasing development of HMRC's digital services and a renewed emphasis on the individual taking responsibility for their tax affairs, it is absolutely essential that the software behind the tax calculations can be trusted and that HMRC accept responsibility where errors arise as a result of system errors and work closely with those affected to put things right. Failure to do this may mean that those resistant to move to digital channels because of a lack of confidence in HMRC systems will be ever-harder to reach.

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86 National Audit Office Annual Report – <https://www.nao.org.uk/report/her-majestys-revenue-customs-annual-report-and-accounts-2015-16/> (Published July 2016)

87 Accountingweb article – <http://www.accountingweb.co.uk/article/demand-grows-hmrc-software-oversight/594920>; <https://www.cchdaily.co.uk/self-assessment-taxpayers-may-be-owed-money-hmrc-201314> (Published 6 January 2016)

## 7.4. Assisted Digital – helping people to use digital services

In this section we comment on the government and HMRC's approach to helping people use digital services.

Historically, the development of digital strategy focused on designing online channels and services for the 'willing and able' user. The government has however recognised that it also has a duty to provide help to those who cannot access digital services on their own. In its 2014 Digital Inclusion Strategy, it acknowledges that just under 10% of the adult population may never be able to gain basic digital capabilities because of disability or lack of basic literacy skills.

Its approach aims to provide support to anyone who cannot access government digital services independently. Assisted Digital, as this support is known, has moved higher up the agenda and is now recognised as a key component of digital policy development.

Until very recently, Assisted Digital support was aimed at those with a degree of digital capability to use online services. It now aims to help anybody unable to use digital services.

### HMRC's Assisted Digital approach

HMRC offer people a variety of ways to help them meet their tax obligations, ranging from self-help to face-to-face support.

HMRC digital services allow customers to do a range of things online including submitting their returns or claiming tax refunds. For those needing support to do this, a lot of 'self-help' information and guidance is available via GOV.UK or through social media. This help, however, is inconsistent. For example, differing styles and format between GOV.UK and HMRC branded forms may lead to confusion.

HMRC also encourage people to seek help from friends and families through, for example, the Trusted Helper service. This service however can only be used if both the customer and the Trusted Helper register via GOV.UK Verify. Not only does this mean there is a lack of consistency for those not registering through GOV.UK Verify but this policy is also completely at odds with HMRC's current drive to encourage people to register for their PTA via the Government Gateway rather than GOV.UK Verify. And yet those that do register via the Government Gateway are unable to take advantage of the service.

TaxAid's experience of working with low-income and vulnerable groups tells us that many are uncomfortable with asking friends or family members for help, either for privacy reasons or because their family member is already so busy with their own lives. There is also the question of why friends and family should be expected to pick up this responsibility particularly when in the past an individual might have easily been able to get the support they needed themselves through other routes such as HMRC's enquiry centres.

It is also important to note that in the case of *LH Bishop Electrical Co Ltd & Others v HMRC Commissioners* [2013] UKFTT 522 (TC),<sup>88</sup> the tribunal found it unlawful and a breach of privacy to be compelled to ask friends or family for help in meeting one's tax obligations.

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88 See discussion at paragraphs 658 to 676 *LH Bishop Electrical Co Ltd & Others v HMRC Commissioners* ([2013] UKFTT 522 (TC)) – <http://www.bailii.org/uk/cases/UKFTT/TC/2013/TC02910.htm>

One-to-one support is available from HMRC helplines and contact centre advisers but this help is not always appropriately signposted, phone numbers are not always easy to find and long delays trying to get through to HMRC by phone mean it is also not always readily accessible.

Newer digital services such as the PTA provide support via an automated virtual assistant who signposts people to guidance based on a query and/or through live webchat where people can get help from an HMRC adviser onscreen.

And for those that need it, face-to-face support is available through HMRC's NES service. Unfortunately, however, this invaluable service has a very low profile and many are not aware of its existence.

Good digital take up means creating digital services that are so good that the user will instinctively want to use them even where there are non-digital alternatives. It is the government's duty to ensure that the right level of help and support is available to give people the skills to be able to do this. And whatever the level of support provided, it must be consistent and uniformly accessible.

Findings from our survey show that irrespective of age, respondents who were unsure about whether to use digital services wanted to be able to talk to somebody. The reliance on being able to do this is also highlighted in some of the case studies<sup>89</sup> available at [Annexe C](#). It is vital that this support remains for those that need it.

Not doing enough to bring people on board by providing appropriate support poses key risks. Failure to provide sufficient and/or suitable help may mean that people are left behind. Or it may lead to errors, frustration and a disinclination to use digital services. It may ultimately turn a compliant population into a non-compliant one.

## Recommendations

- We welcome the latest advances in digital support and encourage HMRC to extend the use of web chat and virtual assistant to other services and continue to use social media to alert people to changes. HMRC should however also continue to provide 'non-digital' support across all channels for those who prefer to access this help either face-to-face or on the phone. Online, face-to-face and phone support teams need to work closely together to ensure continuity.
- While the Government Gateway is HMRC's preferred access route, the Trusted Helper service should be made available through this route as quickly as possible.
- Help must be available across a range of channels should the Trusted Helper need this.
- HMRC should however recognise that the Trusted Helper service will not be the right route for everybody and must ensure they continue to provide appropriate support for those who cannot or choose not to use this service.
- To enable them to design support services more effectively, HMRC should continue to work closely with the VCS and Agent population to get a better understanding of the complexity of the situations of many people represented by these groups.
- HMRC should also work closely with other government departments to understand and learn from them how they design Assisted Digital support.

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<sup>89</sup> Older population: case studies 1 and 11; low income and vulnerable population: case studies 13, 14, 15; People with disabilities: case study 17 and 22 available at [Annexe C](#) of the report all illustrate the need for either face-to-face or phone support.

- HMRC should do more to improve signposting to the NES service so that those most in need can take advantage of the benefits it offers.
- The service also needs to address how it will provide ongoing help to the most vulnerable including how it will support the requirements being introduced as part of HMRC's digital tax accounts such as digital record keeping and quarterly reporting.
- HMRC must continue to recognise that for some, using digital services will never be possible and it must ensure alternatives that provide a service as good as the digital equivalents are in place and easily accessible by those who need them. Without this people unable to transact in this way face disadvantage.
- GOV.UK should be improved so that it is easier for people to access help. It should signpost people better to where they can get help and support with not only digital services but with more general help too.
- So that people find services easier to use, GDS should ensure that digital services across all government departments have a consistent look, tone and feel so that they become familiar to the user.

## 8. Conclusion

Evidence in this report demonstrates a definite shift towards more people being keen to interact digitally. And the rise in the use of new technology shows that the way they are doing this is changing. Government must do all that it can to meet the needs and expectations of those who want to interact in this way but we must not forget those who find it difficult or impossible to do so. These are often the most vulnerable groups of people in society who by implication often need the most help and support.

With the increased expectation that people will carry out more and more transactions digitally, it is imperative that government does everything it can to continue to address the barriers that stop people going online, so that everybody who can has the best chance of doing so. If it fails to do this, its digital agenda will almost certainly fail.

Access to the internet must be improved so that it is available to all no matter where they live or what their circumstances are.

Help and support to enable people to develop the digital skills they need must be more easily accessible, transparent and consistent. It is wholly unfair to shift responsibility for this to others. We feel that although support is in place it is not always appropriately funded or adequately signposted. Government should invest time working with both users and intermediaries to ensure they get this right and that the right level of support is available across a wide range of channels so that it is accessible to all.

Considerably more needs to be done to ensure that people are motivated to use digital services because they need to be able to see the benefits. People also need to be reassured that services are safe, secure and the information within them can be trusted. Pre-population of returns with data that HMRC already hold, for example, is clearly sensible and time-saving, provided that data is complete and accurate. Where things go wrong, there must be clear accountability for errors and robust processes in place so that issues can be quickly and easily resolved. Under MTD the suggestion seems to be that people will have to go back to the third-party information provider to challenge incorrect data. Instead, it should be possible for the taxpayer to do this through HMRC.

Government must continue to work with a range of users to ensure that its digital services have a consistent look and feel and are designed to meet the needs of everybody from those who readily embrace new technology to those who need specialist equipment to help them get online. Everybody who can, no matter what their circumstances, must be able to access the same information and services.

Getting areas like this right will be key to offering a good digital experience that will motivate, rather than force people to interact online. Failure to do so may mean that people will not be properly served by digital services or use them to the degree intended.

It is essential that the transition to digital for those that can make it is managed in the right way and at the right time. HMRC's MTD, for example, is an ambitious programme which has the potential to deliver significant benefits to both taxpayers and HMRC. But it must be managed carefully and in consultation with taxpayers, tax professionals and software developers alike. As a huge project with huge risks attached, it is more important to do it right than to do it quickly. If necessary the timetable for implementation should be extended.

And for those that cannot make the transition – government itself acknowledges that they will never be able to reach everybody – we cannot state strongly enough the importance of providing robust, easily accessible alternatives that provide a service as good as the digital equivalents for anyone who needs them. If these are not available, some of the most vulnerable and disadvantaged people in society are in danger of being left behind and at risk of being cut off from government services, information and entitlements.



In summary, we support the move to digital but feel that government should continue with a multi-channel approach. It should encourage and support people to interact digitally but continue to offer alternatives for those who cannot and will never be able to interact in this way.

We support the view that everyone who can interact digitally should but feel this should be a matter of choice, not mandation. 'Digital by default' should not mean digital is the one and only option.

# Annexe A: Headline statistics

In this section we set out some of the headline statistics gathered from our research and government and other recognised research. It is important to note that statistics quoted vary according to source.

## Evidence supporting the economic sense of moving to digital

- Digitalising public services could save government between £1.7 to 1.8 billion a year. [Cabinet Office – [Digital Efficiency Report](#) (published November 2012) and Policy Paper – [Government Digital Strategy](#) (updated December 2013)]
- The cost of digital transactions is 20 times lower than over the phone, 30 times lower than by post and 50 times lower than face-to-face. [Policy Paper – [Government Digital Strategy](#) (updated December 2013)]
- The government saves around £194 per person when they do transactions over the internet rather than in person and every consumer who is online saves on average £560 a year by shopping around and looking for deals. [The Tinder Foundation – ‘[A Leading Digital Nation by 2020: Calculating the cost of delivering online skills for all](#)’ (published February 2014)]

## But there is still a long way to go to enable people to do this

- 5% of UK adults do not have basic literacy skills. [Department for Business, Innovation & Skills (BIS) – [Skills for life survey 2011](#) (published December 2012) and referenced in the Cabinet Office – [Digital Inclusion Strategy](#) (updated December 2014)]
- 21% of people cannot use the web because they do not have basic digital skills. [BBC – [Media Literacy: Understanding Digital Capabilities follow-up](#) (published September 2013)]
- 21% of Britain’s population lack the basic digital skills needed to interact fully online and a third of SMEs do not have a website. When VCSEs are included, this figure rises to 50%. [Cabinet Office – [Digital Inclusion Strategy](#) (updated December 2014)]
- 69% of households in Scotland’s 20% most deprived areas had internet access compared to 83% in the rest of Scotland. [Bridging the Digital divide – [Bridging the Digital Divide Survey](#) (published 2016)]
- 15%, equivalent to 7 million, of UK adults are not online due to lack of access to the internet and/or other demographic and socio-economic factors. [HMRC – [Digital Exclusion and Assisted Digital Research](#) (published August 2015)]
- 11 million UK adults, though not digitally excluded, fall under the ‘assisted digital’ category of needing help to interact with the government online. [HMRC – [Digital Exclusion and Assisted Digital Research](#) (published August 2015)]
- 3 in 5 self-employed taxpayers are digitally disenfranchised to some extent, whether digitally excluded or falling under the assisted digital category. [HMRC – [Digital Exclusion and Assisted Digital Research](#) (published August 2015)]
- 12.6 million UK adults still lack basic digital skills and 5.8 million people have never used the internet. [[Science and Technology Commons Select Committee](#) (published June 2016)]

- Over 5 million UK adults have never used the internet. [ONS Statistical Bulletin – [Internet users in the UK](#) (published August 2016)]
- 5 million adults lack basic literacy and numeracy skills. [[Joseph Rowntree Foundation report](#) (published May 2016)]
- 16 % of UK adults are functionally illiterate meaning they have literacy levels at or below those expected of an 11-year-old. [[National Literacy Trust](#) (published 2016)]

#### Often the most vulnerable in society need help to interact digitally

- 37% of those who are digitally excluded are social housing tenants. [Cabinet Office – [Digital Inclusion Strategy](#) (updated December 2014)]
- 44% of people without basic digital skills are on lower wages or are unemployed. [Cabinet Office – [Digital Inclusion Strategy](#) (updated December 2014)]
- Over 53% of people who lack basic digital skills are aged over 65 and 69% are over 55. [Cabinet Office – [Digital Inclusion Strategy](#) (updated December 2014)]
- Only 65 % of UK disabled consumers have internet access compared to 88% of non-disabled. [Ofcom Research Report – [‘Disabled consumers’ use of communications services](#) (published October 2015)]
- 25% of disabled adults have never used the internet. [[Office for National Statistics Bulletin](#) (published 2016)]
- In 2016, across all age groups, the proportion of UK adults who were recent internet users was lower for those that were disabled, compared with those that were not. [ONS Statistical Bulletin – [Internet users in the UK 2016](#) (published August 2016)]
- Only 74% of DE households (semi-skilled, unskilled or non-working) have the internet at home, compared to 92% of AB households (higher or intermediate managerial, administrative or professional). [Ofcom – [Communications Market Report 2016](#) (published August 2016)]
- Only 42% of the population aged over 55 owns a smartphone and because they are not wedded to them in the same way that younger people are, they may not readily engage with them when thinking about government services. [Ofcom – [Communications Market Report 2016](#) (published August 2016)]
- 12 million individuals and a million small businesses are potentially digitally excluded due to either inadequate infrastructure or a lack of digital skills. [[BBC News Report](#) (published October 2015)]

#### Our survey – headline findings

- 75% of respondents had access to a device on which they could access the internet.
- 95% of respondents aged 50 or under had internet access.
- 77% of respondents were in their 60s or older. Over half did not have access to the internet.

- Older taxpayers were less likely to have access to a computer at home. General observations along with evidence cited in our case studies<sup>90</sup> also tell us that where they do, their equipment is often older than the average<sup>91</sup> and their general computer literacy is lower than for the rest of the population.
- Only 25% of respondents over the age of 80 had a digital device (usually a computer).
- The age of 80 seems to be a key point at which computer capability decreases.
- 63% of respondents had a computer but many also had other devices too. Nearly a third (31%) of respondents had a tablet. A quarter (25%) had a smart phone.
- Respondents in the 50s and under age bracket were more confident to go online and use computers to access goods and services, interact with HMRC and access GOV.UK.
- The main reasons across all age groups for not using a computer was a lack of understanding, followed by lack of interest.
- The overwhelming reason amongst the over 80s for not using a computer was that they were not interested rather than other reasons such as cost or access.
- Although the majority of respondents had no security concerns about using GOV.UK, the significant number who answered 'not sure' could imply there is some element of doubt.

#### TaxAid complementary survey – headline findings

- 70% of respondents had used or tried to use HMRC's helpline before coming to TaxAid.
- 56% of those interviewed in the complementary TaxAid survey fell into the 'digitally excluded' category. 20% were digitally excluded because they did not have internet access.
- 91% of those with internet access had it at home but of those 45% were prevented from using it because they were unable to afford it, lacked capability because of poor English, literacy, dyslexia or dyspraxia issues and/or a lack of confidence in internet security or their own skills.
- Of respondents with internet access, 49% never used the GOV.UK website. Only 12% used it for more than one discrete purpose.
- On a capability scale of 1 – 5, only 7% of respondents were assessed as 'capable' (level 5). 32% of respondents found understanding tax information 'very challenging' (level 1).
- 68% claimed they would not or be unlikely to transact online generally.

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<sup>90</sup> Case studies 8 and 9 – available at [Annexe C](#) of the report.

<sup>91</sup> Our survey – available at [Annexe B](#) of the report – asked for the age of the equipment or device respondents used to go online: less than 1 year; between 1 and 3 years; between 3 and 5 years; more than 5 years. Across all categories those aged 60 and over were less likely to have a newer equipment or device.

# Annexe B: Key results of our survey

## Information about the survey

Between October 2015 and February 2016, LITRG, TaxAid and Tax Help for Older People conducted surveys amongst people with an annual income below £20,000 who either visited our websites or in the case of TaxAid and Tax Help for Older People telephoned or contacted us in person. The surveys aimed to:

- Gather a snapshot of how digitally capable and engaged these groups are.
- Get an understanding of the barriers which might potentially stop them interacting online.

The questions, compiled jointly by the three charities, were built around the primary barriers to interacting online – Access, Skills, Motivation and Trust/Confidence.

To capture the views of a wide sample, two versions with slightly different questions were produced:

- 1) One, conducted wholly offline through telephone and face-to-face interviews was carried out by both TaxAid and Tax Help for Older People across a sample selection of taxpayers from the digitally excluded to the fully engaged.
- 2) The second, conducted online via ‘Survey Monkey’ was completed by visitors to the TaxAid, Tax Help for Older People and LITRG websites. Links to the online survey were also available via LITRG’s Facebook page and Twitter Account. This primarily sought the views of the digitally engaged, especially those who had used HMRC and GOV.UK online services. Because those completing the online survey were not asked details of income, respondents potentially covered a wide income spectrum.

In total there were 648 useable surveys.<sup>92</sup> Participation was both voluntary and anonymous.

The findings in this section, [Annexe C: Case studies](#) and [Annexe D: Digital proficiency amongst the vulnerable and low paid taxpayer – a report from TaxAid](#) demonstrate that the potential for digital engagement varies according to age and ability.

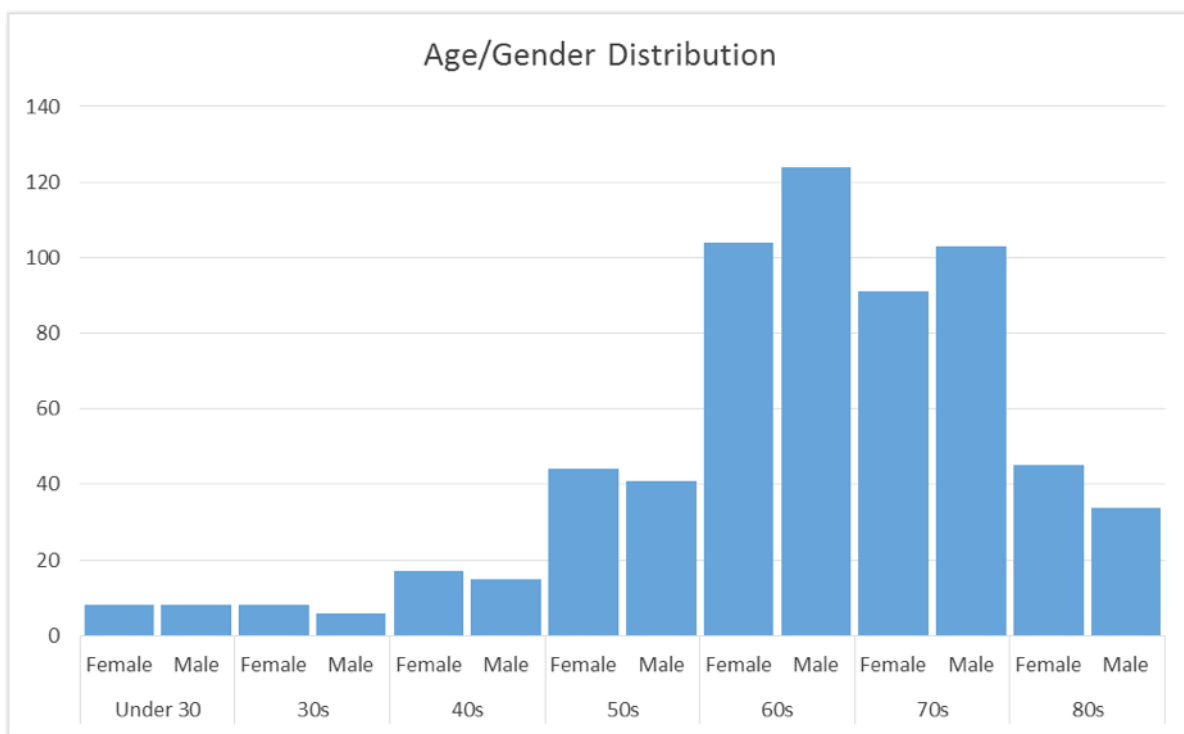
Although in general terms the younger the person, the more likely they are to embrace digital changes, it is vital to remember that digital engagement is not only about age or access to a computer and an internet connection. It encompasses a whole host of digital literacy and capability issues including the skills to be able to go online, trust in the services offered and motivation to use them. All of this must be evaluated in great depth and taken into account by those responsible for developing digital services.

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<sup>92</sup> For statistical purposes, respondents who declared neither age nor gender were deemed unusable. 22 of the 493 face-to-face interviews and 2 of the 179 online surveys completed were deemed unusable for this reason.

## Survey findings

### Respondents

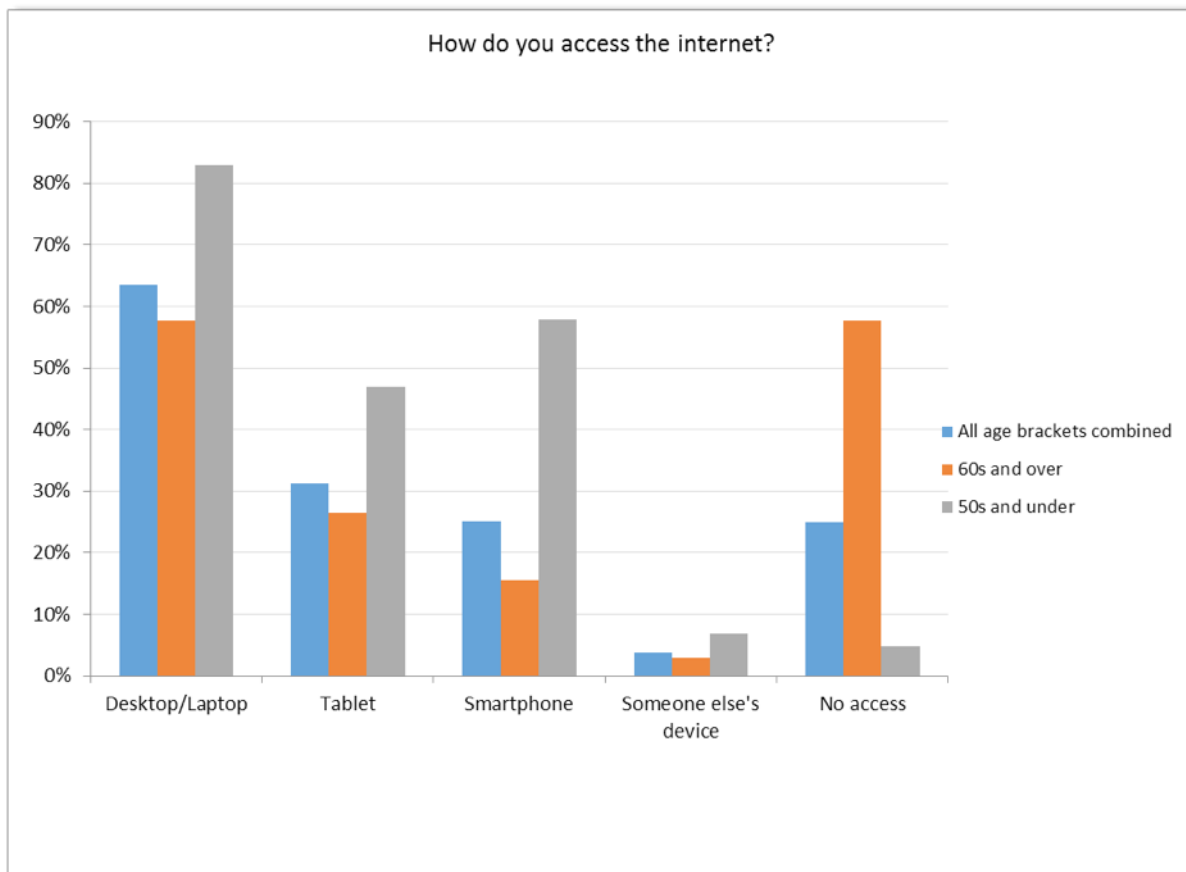


- The largest group of respondents were males in their 60s.

### Additional survey findings not visually represented

- 75% of all respondents had access to a device on which they could access the internet.
- 95% of those aged 50 or under had internet access.
- 501 of the 648 respondents (77%) were in their 60s or older. 58% did not have access to the internet.

### How do you access the internet?

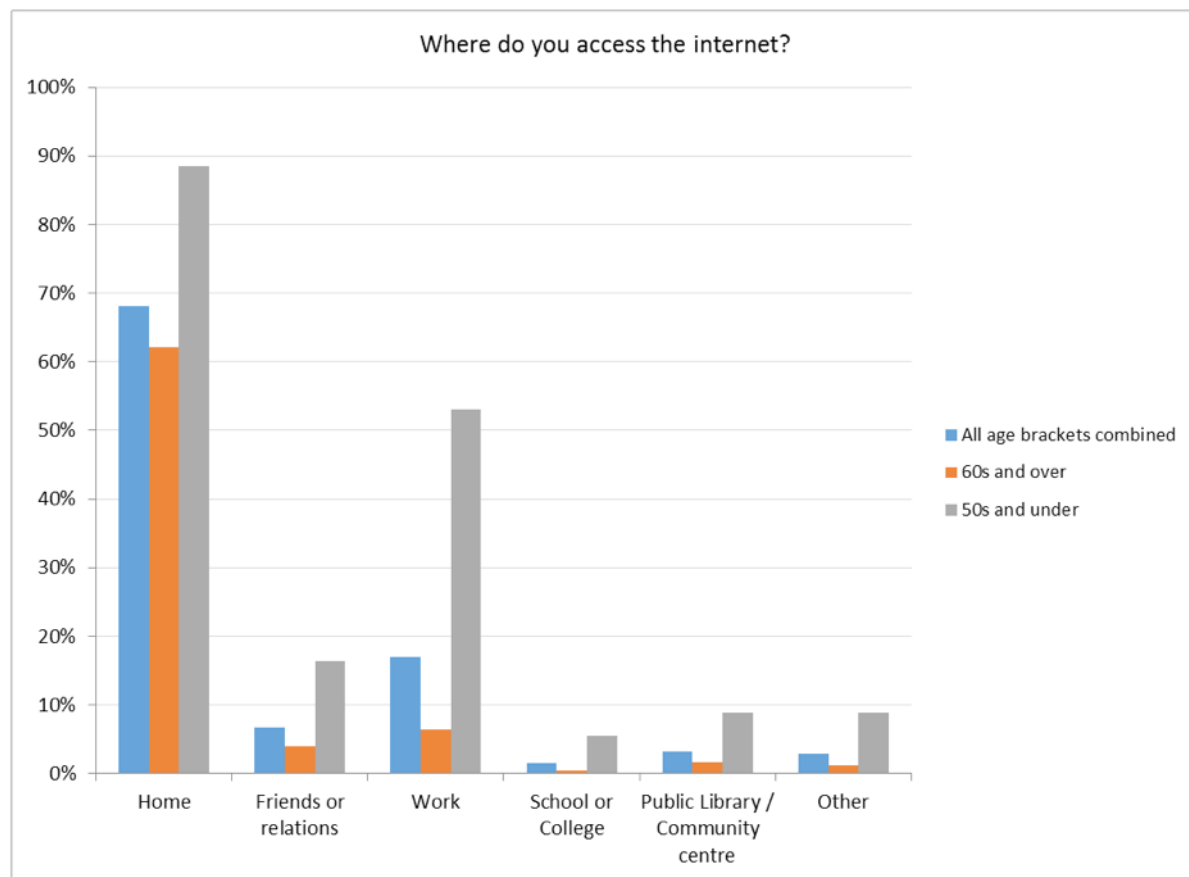


- 63% of all respondents had a desktop or laptop computer but many also had other devices. Nearly a third (31%) of respondents had a tablet. A quarter (25%) had a smart phone.

### Additional survey findings not visually represented

- 66% of respondents in their 70s had at least one digital device.
- Over the age of 80 only 25% of respondents had a digital device (usually a computer).

### Where do you access the internet?



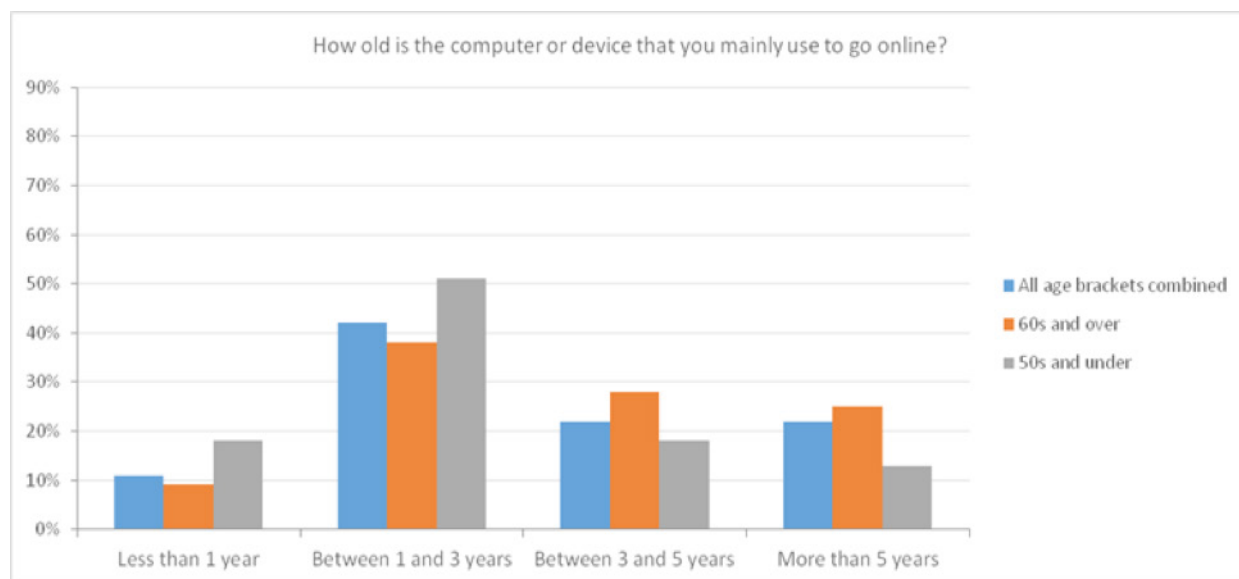
- Older taxpayers were less likely to have access to a computer at home. Earlier in the report, we comment on our general observations which tell us that those who have a computer at home tend to have older equipment than the average and their general computer literacy is lower than for the rest of the population.

### Additional survey findings not visually represented

- The age of 80 seemed to be the point at which computer capability decreases.

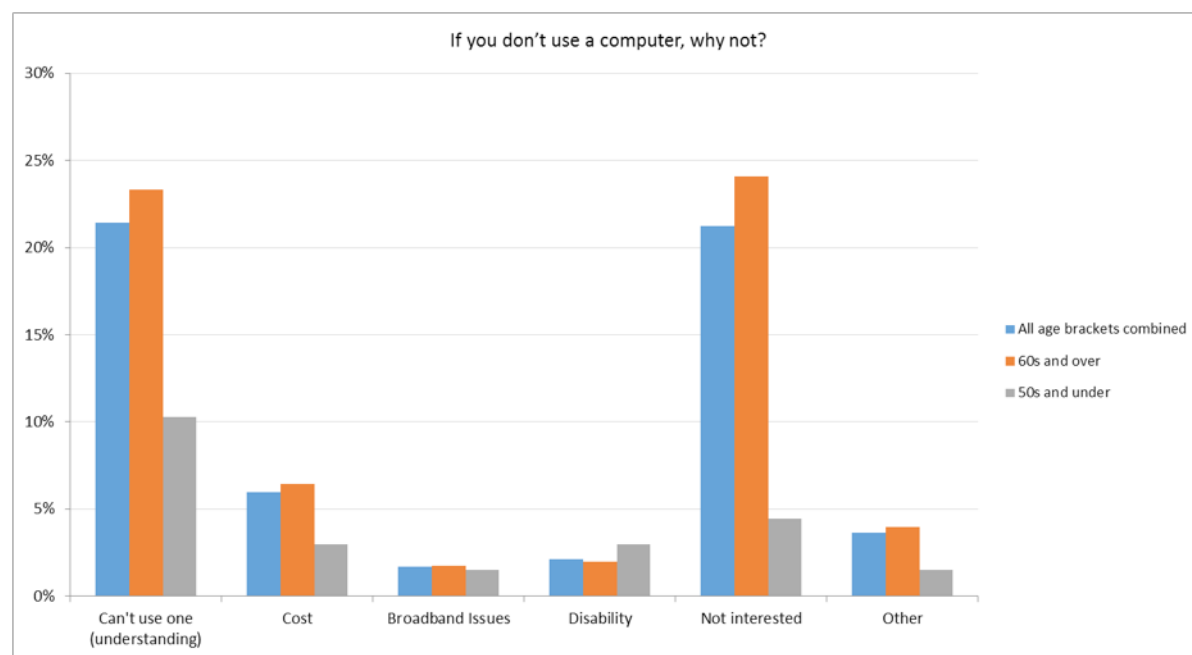


### How old is the computer or device that you mainly use to go online?



- Across all categories those aged 60 and over were less likely to have newer equipment.

### If you don't use a computer, why not?



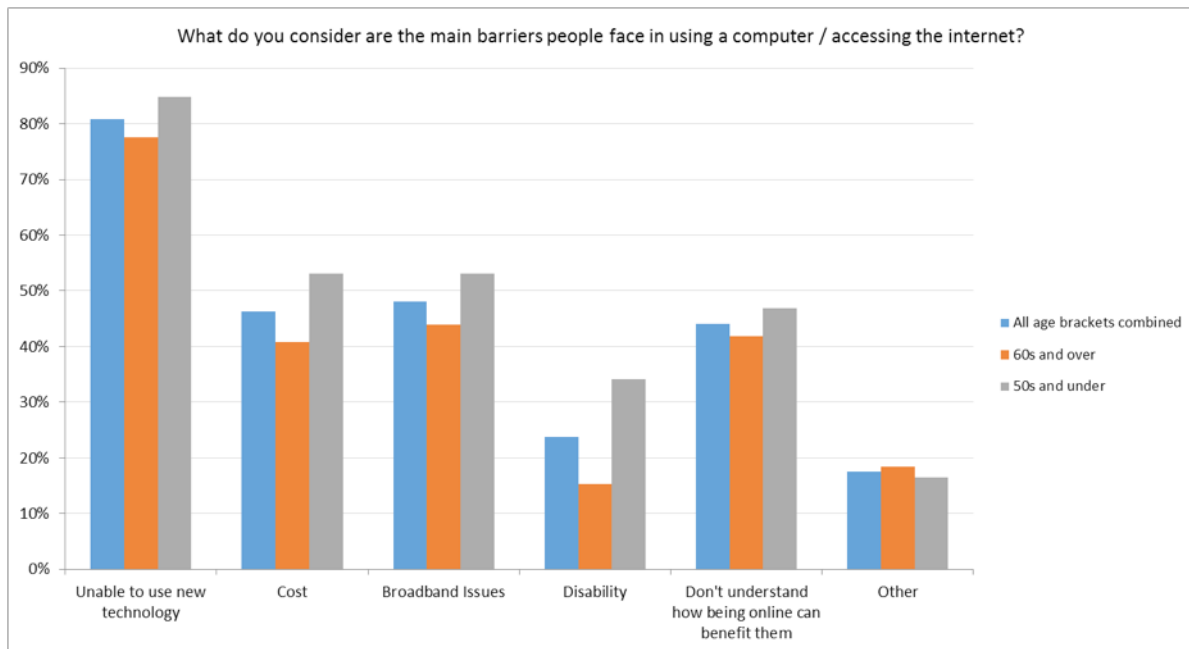
This question was only asked at the face-to-face interviews.

- The two main reasons across all age groups for not using a computer were a lack of understanding followed by no interest in using one.

### Additional survey findings not visually represented

- Although in a few cases people cited disability and infirmity as reasons for not using a device, the overwhelming reason amongst those aged 80 and over for not using one was that they were not interested rather than other reasons such as cost or access.

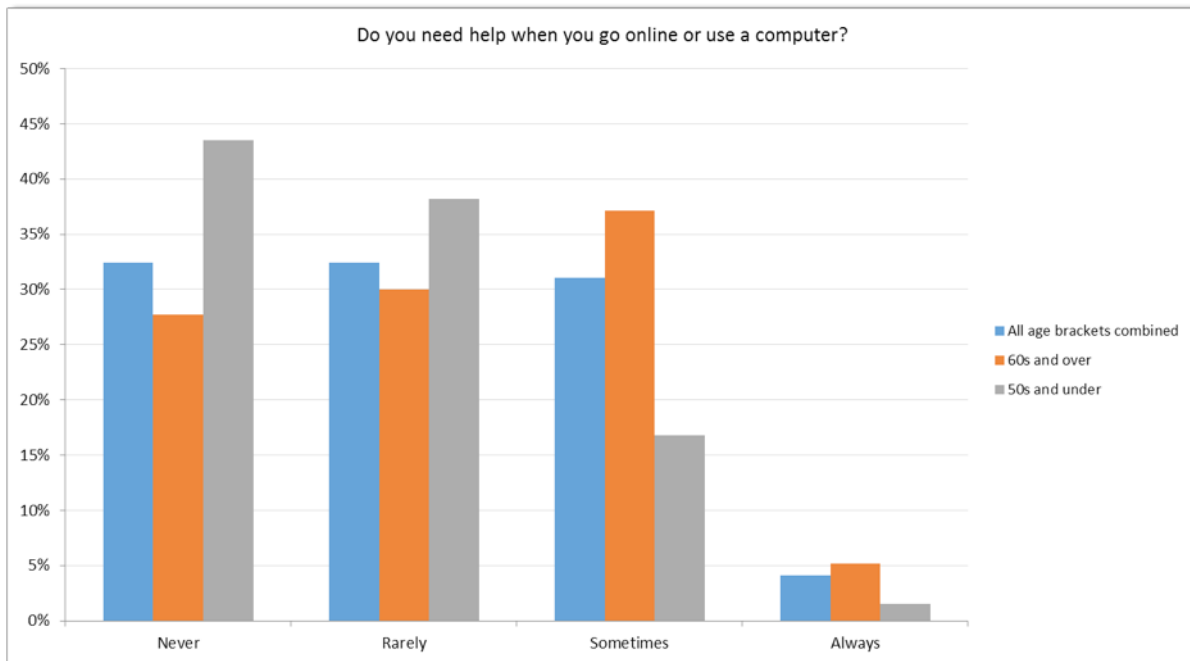
### What do you consider are the barriers people face in using a computer/accessing the internet?



This hypothetical question, asked only of online respondents, tested perception of what the barriers **might** be as opposed to the question asked at the face-to-face interviews that asked specific reasons why respondents did not access the internet. It is interesting that the results largely mirror each other with 'unable to use technology' being the main reason.

## Skills

*Do you need help when you go online or use the computer?*

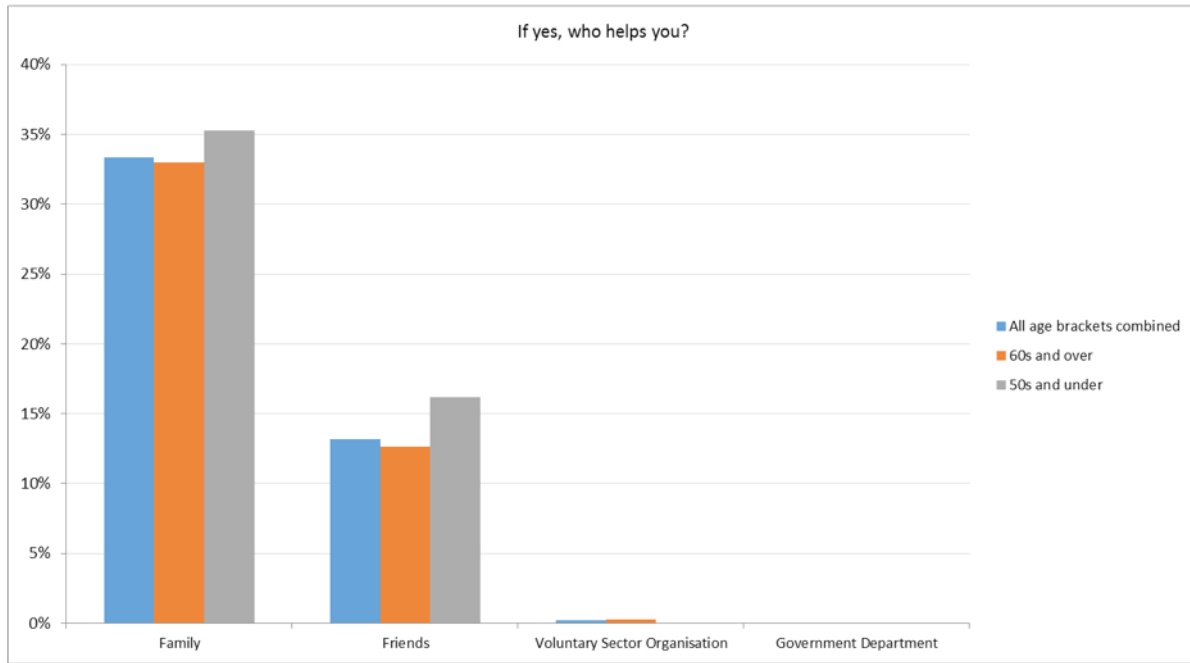


- Respondents in the 50s and under age bracket were more confident to go online and use computers.

*Additional survey findings not visually represented*

- The most common determinant to digital engagement was age; the younger the taxpayer, the more likely they were to engage online.

*If you need help when you go online or use the computer, who helps you?*



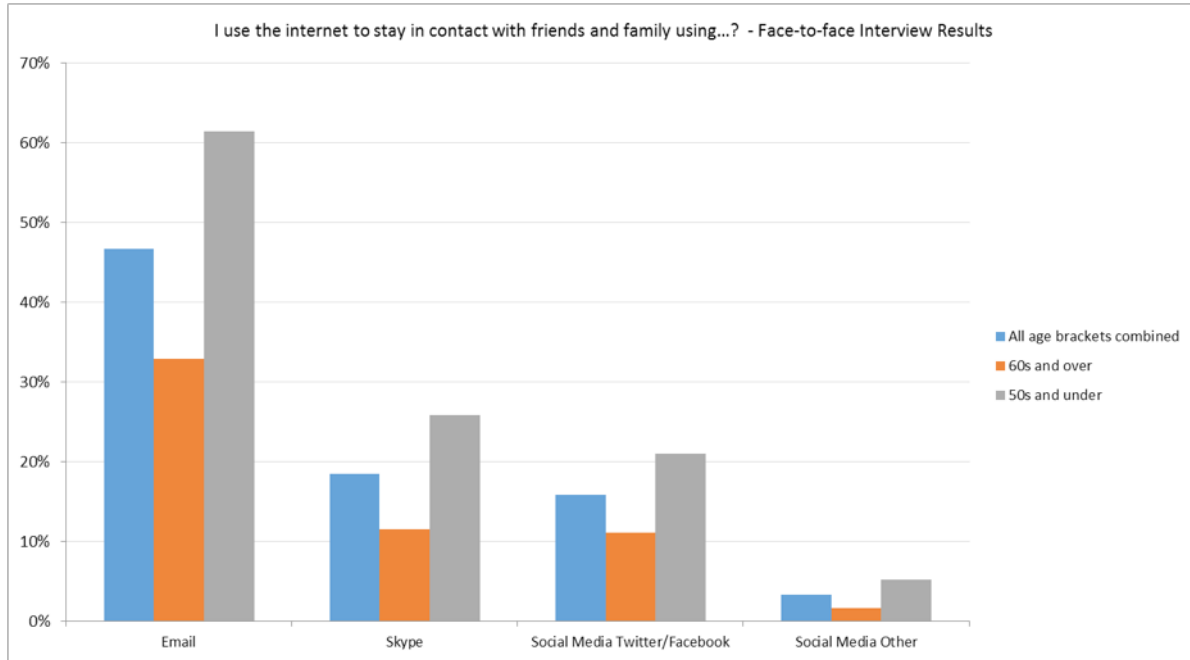
Note this question was only asked of those in the face-to-face interviews

- The majority of people irrespective of age got help from family and friends. As noted earlier in this report however, it is important that nobody should be compelled to rely on the help of family and friends to comply with government legislation.

## Motivation

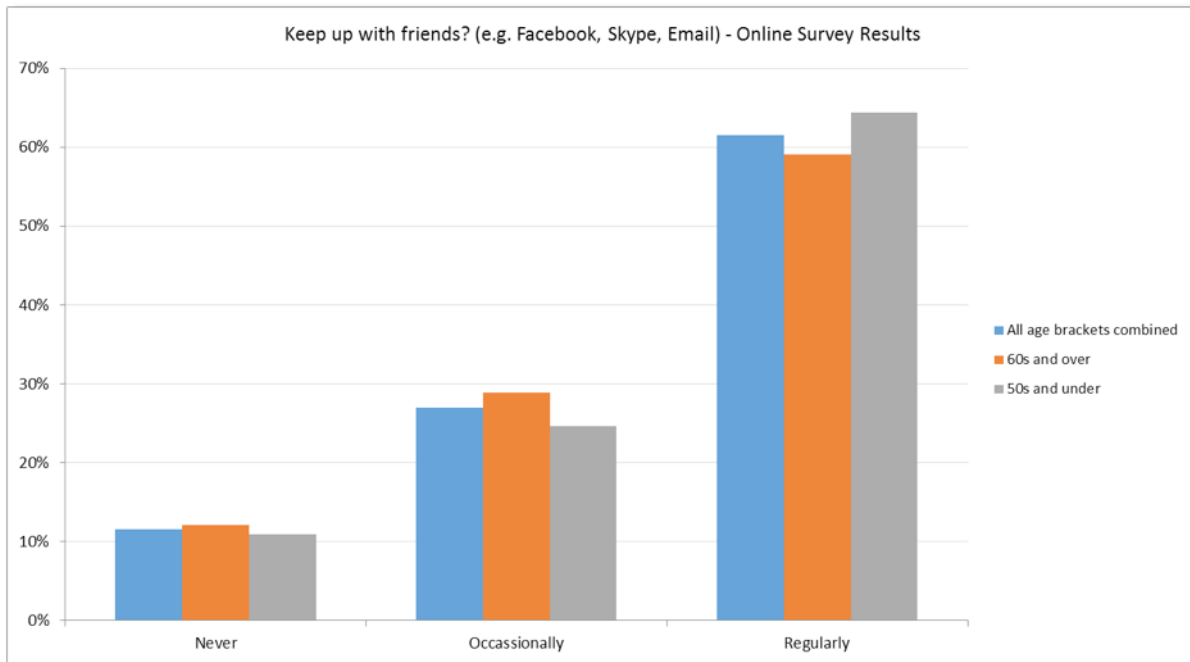
Participants were asked whether they used the internet to stay in contact with friends and family. Because the question was asked differently at the face-to-face interviews compared to the online survey, the results have been separated below.

### Face-to-face respondents



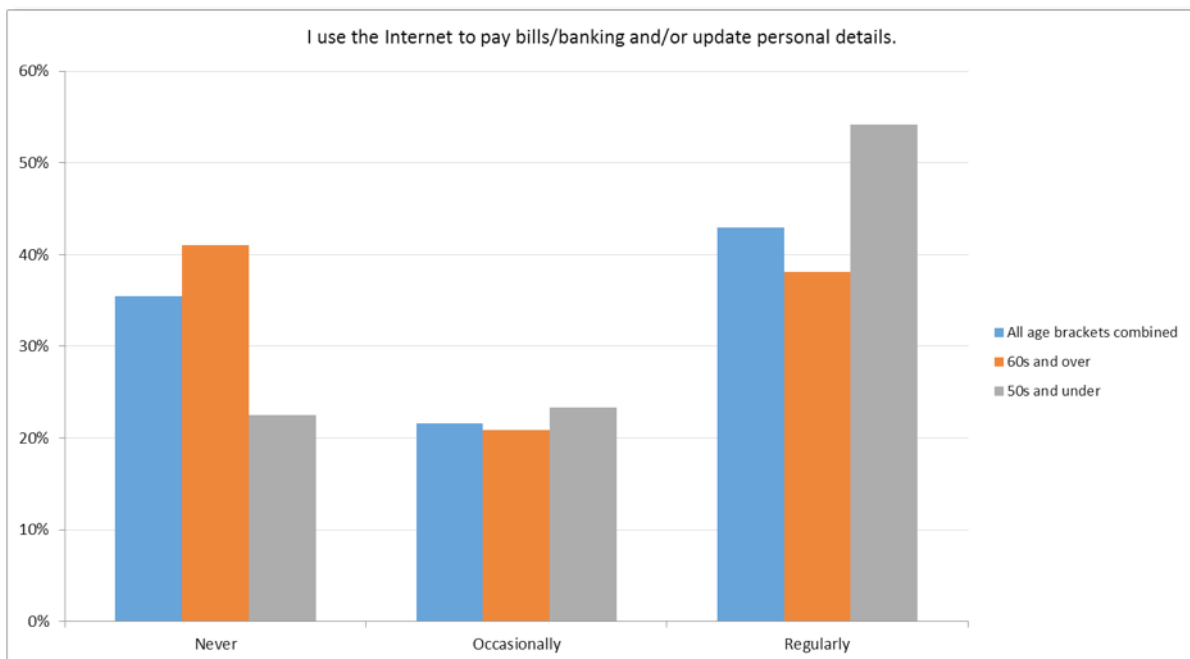
- The 50s and under were the most likely age group to stay in contact with friends and family through digital or social media.

## Online survey respondents

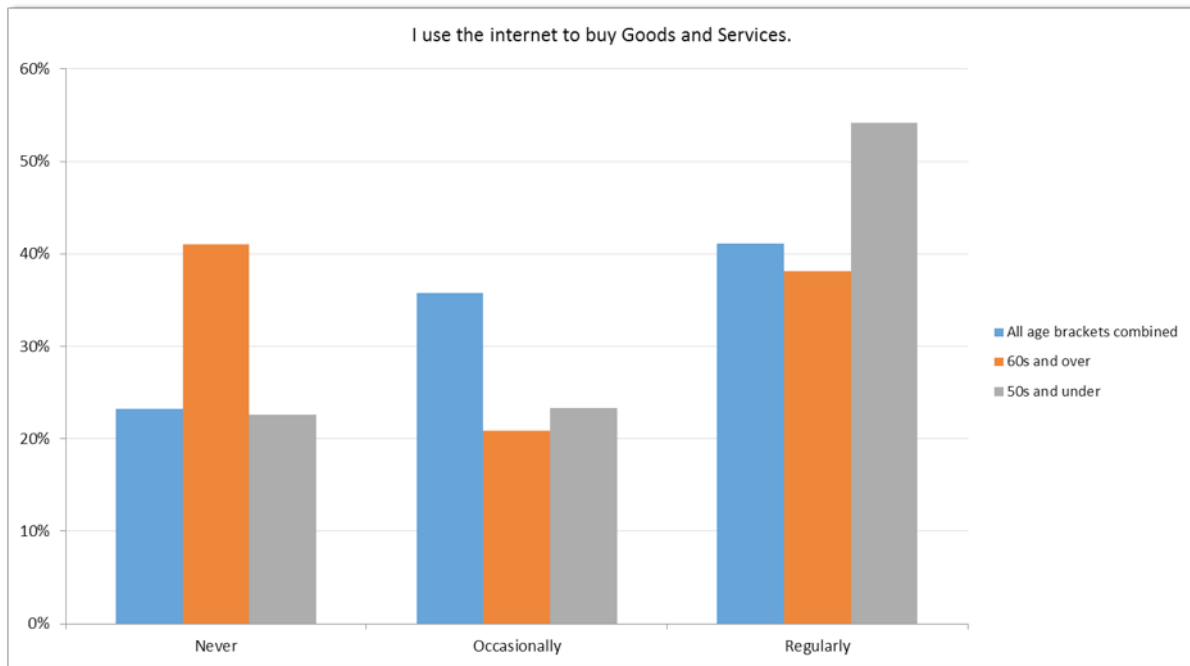


- In contrast to the face-to-face interviews, the majority of online respondents, regardless of age, regularly kept up with friends via the internet.

## I use the internet to pay bills, bank and /or update personal details



- There was a clear difference between the 60s and over and the 50s and under when it came to paying bills, banking or updating details online. The 60s and over appeared to be split between never or regularly using the internet to pay their bills/bank and or update their personal details. The 50s and under did this more regularly.

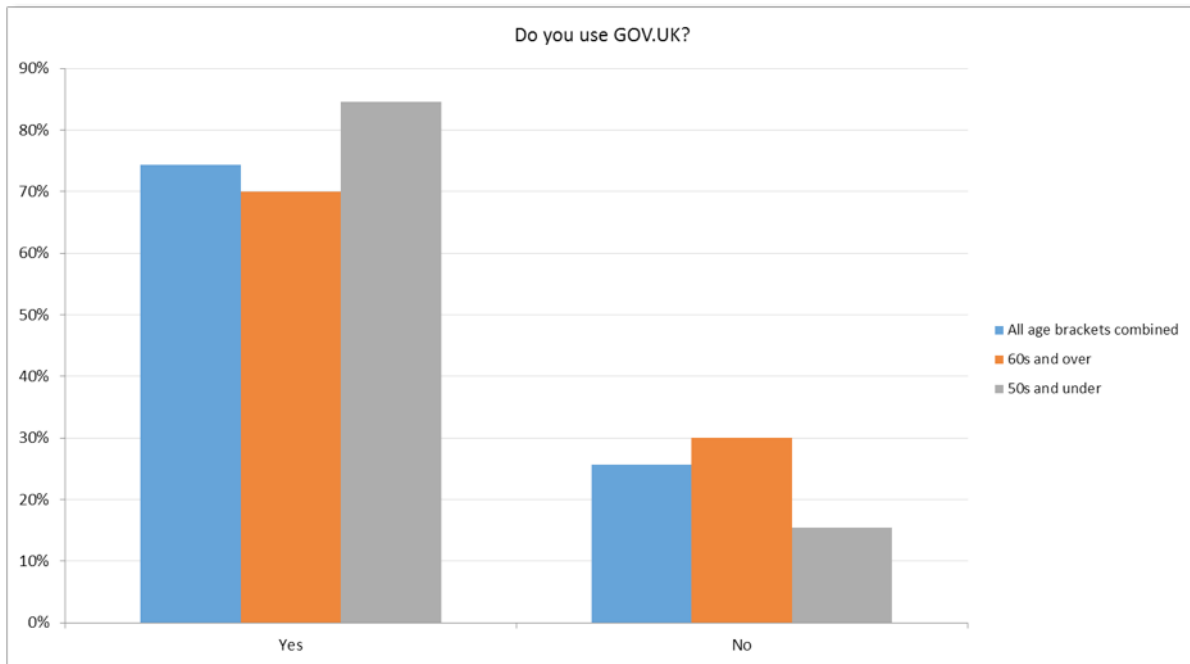


- There was a clear difference between the 60s and over and the 50s and under. A clear majority of the 50s and under regularly used the internet to buy goods and services.

*Additional survey findings not visually represented*

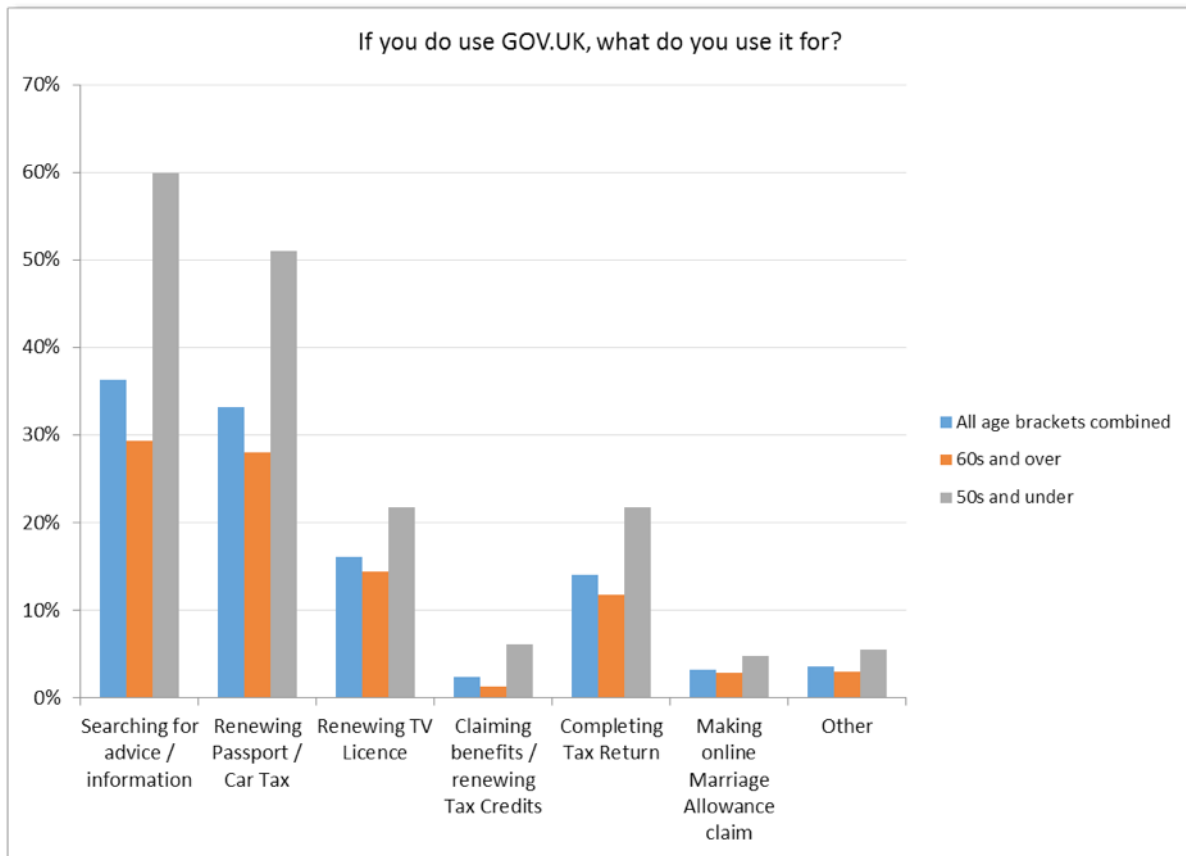
- The 60s and over used the internet less especially with regards to games, downloading books and music and internet banking.

Do you use GOV.UK?



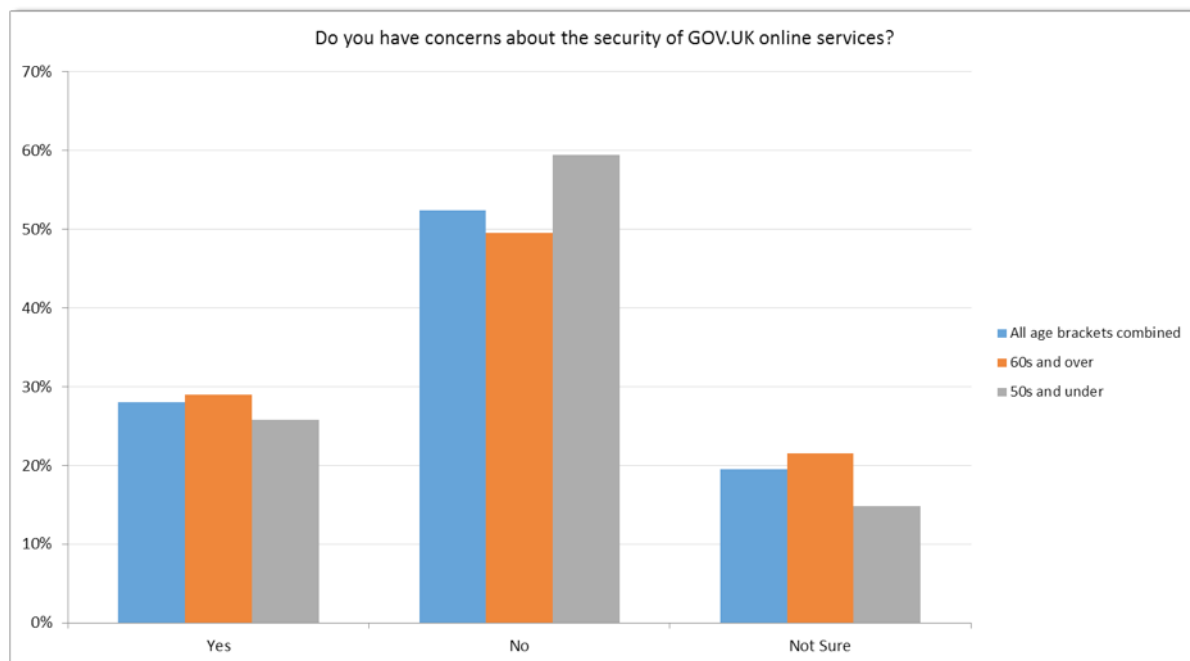
- The 50s and under were more likely to use GOV.UK.





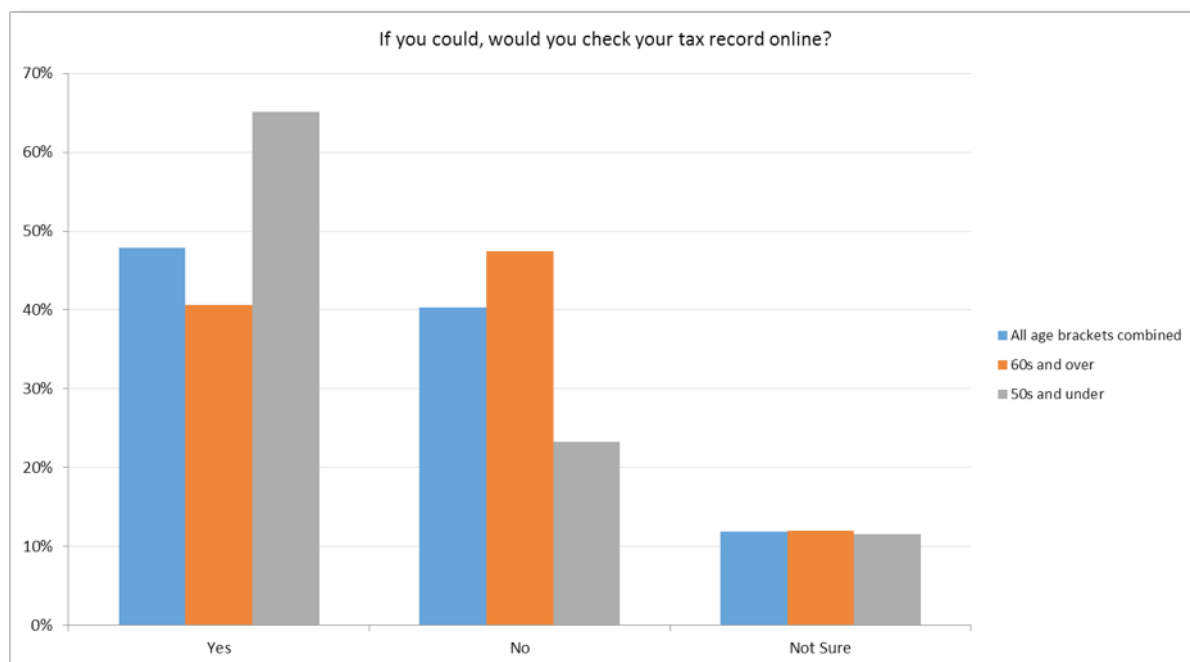
- The majority of respondents, regardless of age, used GOV.UK primarily to search for advice or information or to renew their passport or car tax. The 50s and under were the most prevalent users.

### Do you have concerns about the security of GOV.UK online services?



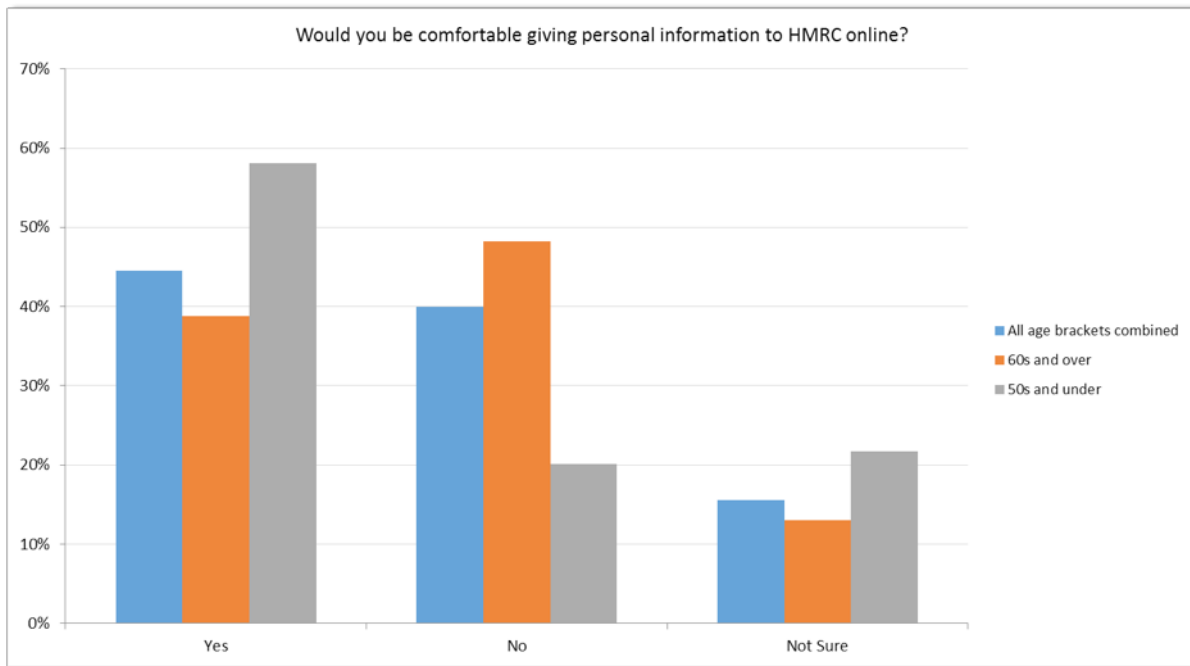
- Just over 50% of all respondents had no security concerns about using GOV.UK. The significant number who answered 'not sure' could imply there was some element of doubt.

### If you could, would you check your tax record online?



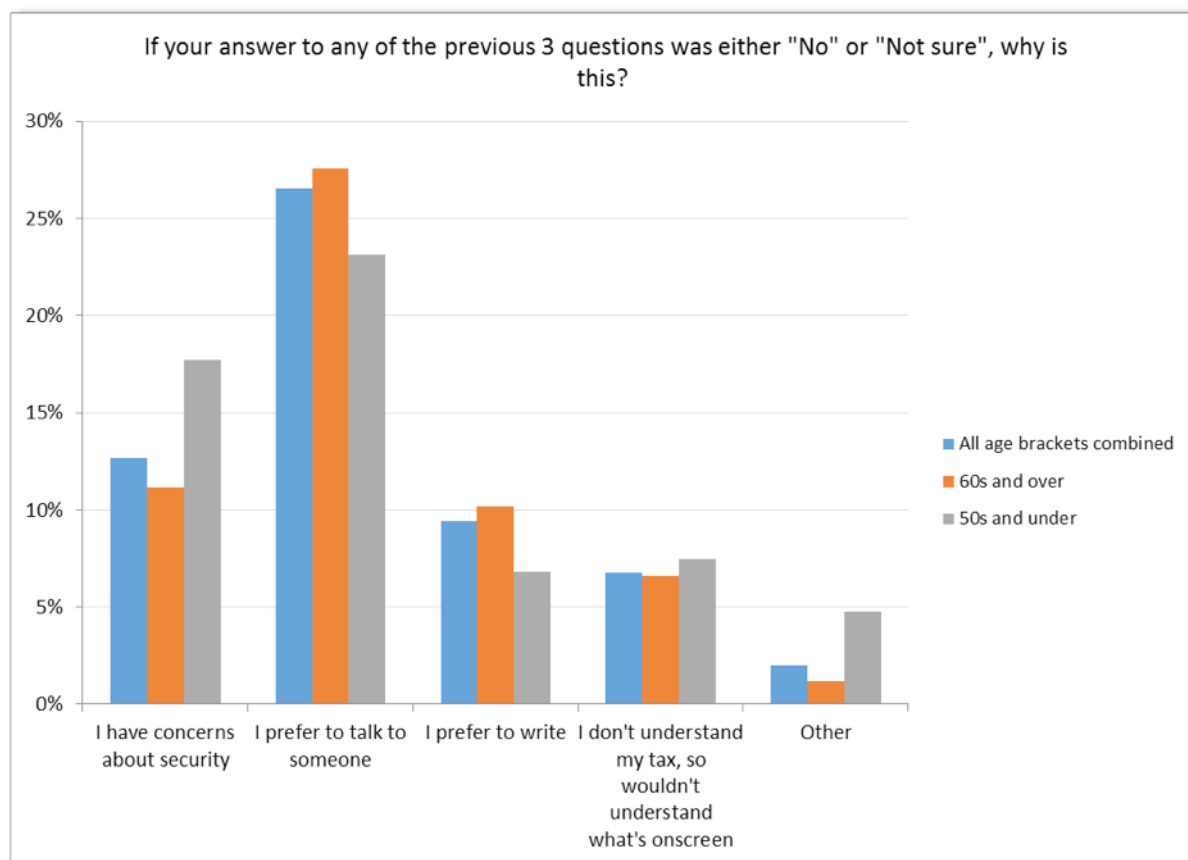
- The majority of the 50s and under would check their tax record online.
- The response from the 60s and over was more mixed.

*Would you be comfortable giving personal information to HMRC online?*



- The majority of the 50s and under would be comfortable giving personal information to HMRC online.
- By contrast, around 60% of the 60s and over said they either would not, or were not sure if they would feel comfortable to do this.

*If your answer to any of the previous three questions (1) Do you have concerns about the security of GOV.UK online services? (2) If you could, would you check your tax record online? (3) Would you be comfortable giving personal information to HMRC online? ) was either 'no' or 'not sure', why is this?*



- Across all ages, the main reasons why people would not check their tax record online or be comfortable giving personal information to HMRC online was because they preferred to talk to somebody. The survey did not address whether the preference was by phone or in person.
- Concerns over security were also prevalent, particularly amongst the 50s and under.

#### *Additional survey findings not visually represented*

- 74% of respondents in their 70s and over either did not trust or were 'not sure' whether they trusted the security of government online services. Although often happy to shop, bank and potentially view their tax account online, they said they would not be happy to submit information such as returns or to update details online.
- Other reasons given for not wanting to update or view tax accounts were a preference to talk to someone by phone, or a lack of understanding of their tax affairs.

# Annexe C: Case studies

The following are real-life anonymised case studies that we hope will illustrate common situations experienced by the older, low-income, vulnerable and disabled population. We hope this information will offer valuable insight to those developing digital services.

## The older population – case studies

### Case Study 1

Mr and Mrs Smith are in their 80s. They do not own a computer or mobile phone. Mrs Smith prefers not to use the phone at all – she goes into the bank to request certificates of tax deducted and would have very little family support if anything had to be done online. Her husband relies on the phone to conduct all of his financial affairs.

### Case Study 2

Mr and Mrs Thomson are in their 80s. Mrs Thomson is terminally ill and sadly is deteriorating quite quickly. She has always handled the couple's financial affairs and has done whatever she can – banking, insurance, bill payments, shopping – online. Mr Thomson refuses to go near the computer and says he certainly will not use one once his wife is no longer with him. He says that at his age he just cannot put his mind to it.

*With no computer or mobile phone or a desire to use either, how are these people expected to interact digitally? In this increasingly digital world, HMRC must ensure that alternatives that are as good as the digital equivalents are available. Without this, people are at risk of not having the same access to information and advice as those who are digitally able.*

### Case Study 3

Mr and Mrs Jones are in their early 70s. Mrs Jones has basic IT skills and uses her computer to email and place orders on the internet. She does however struggle with online banking mainly due to the security constraints and many passwords she needs to remember. Using GOV.UK Verify would feel nigh on impossible for her. Until recently Mr Jones was similar to his wife but his health and eye sight has rapidly declined so that he has no interest or confidence in even using email anymore.

*Even though this couple are somewhat digitally competent and may, if they could accept the use of passwords, readily sign up to a digital service like their PTA, HMRC need to be aware that people's capabilities may change as they age. Even though they own and use a computer it does not mean that they will be able to continue indefinitely to use it effectively. HMRC must ensure that processes are in place to enable people to switch back from using digital services when they are no longer able to. If they do not, people like Mr and Mrs Jones are in danger of becoming excluded from services and information.*

### Case Study 4

Mr and Mrs Williams are in their 60s. They have retired quite recently and during their careers were accustomed to using computers and transacting online. As a result they are very confident with their IT skills. They use their iPad, laptop and smart phones to do their shopping, internet banking and file tax returns. They will probably be very happy to use their PTA to manage their affairs with HMRC.

*We recognise that many older people are more than competent to use digital services. The more recently retired who have used IT equipment during their careers are more likely to readily embrace the move to digital. And although the number of pensioners online increases annually as a natural effect of the ageing population, HMRC must recognise the difference in levels of capability within the pensioner population, as needs vary greatly. They must recognise that with age there may also be a reduction in digital skills or capability. HMRC must be aware that although digital services may suit some of this population, they certainly will not be the answer for everybody. Robust alternatives that are as good as digital equivalents, must be available for those who need them.*

#### Case Study 5

Ethel, a widowed lady is 80. She feels she is digitally competent because she has a kindle, iPad and mobile phone. She uses these devices for very basic entertainment, to send text messages and on occasion uses video chat software. Although she believes she is digitally competent she has little idea about how to use the internet to search or transact online. She certainly has no awareness of the need for security when using online services. She also does not trust using online services with any financial information. She once tried to renew her car tax through GOV.UK, made a mistake and ended up with a court letter so she will definitely not use that service again even if it means she is missing out on something.

#### Case Study 6

Barbara is 65. She is very keen to sound like she is in touch and digitally competent. She uses email and internet browsing but continuously makes mistakes and never remembers to close things down. She certainly does not trust digital where her financial information is concerned.

#### Case Study 7

Geraldine is 77. She is willing to have a go on the internet if somebody is with her but when she is left alone she quickly forgets what to do. She is ok using a kindle and sending a text message but that is the limit of her digital capability.

*HMRC must recognise that many people within the ageing population may in fact give the impression that they are more competent than they really are. Although they may say and feel that they are digitally engaged, they may not always know how to do things properly or safely. There is a definite reluctance for the ageing population to use digital to deal with their financial information. HMRC need to address this and ensure appropriate support and robust advice is in place so that those who, on the face of it, are willing to interact can do so safely.*

#### Case Study 8

Harold is 79. Having worked in industrial engineering, he has been around computers for much of his life and has always been keen to use one – in fact he has had one in his home since the early 1980s and went online as soon as the internet emerged. He has always managed home accounts digitally and is a prolific emailer and letter writer. Despite being on the face of it extremely willing and competent, his computer capabilities are reducing as he gets older. He reached a plateau stage in ability when Windows XP (no longer supported by Microsoft) came out in 2001. Newer versions of Windows confuse him. His capability is based on familiarity, as is the software that he uses which is around late 90's vintage. He is resistant to changing to later versions and gets confused by updated versions of Word and Excel, even though these may be considered more user-friendly than earlier releases. Due to hearing loss and motor deficiencies caused by early-stage Parkinson's disease, using a keyboard is now his main form of communication – he can no longer write legibly. A touch-screen device however would be absolutely no use to him.

### Case Study 9

Bill is 83. Although he has a computer and a degree of capability in using it, as he has aged his capacity for change is low as is his frustration threshold. He is unlikely to replace his IT equipment kit as it wears out or becomes obsolete. He is also unable to remember things like passwords and although his wife writes them down, because of diminishing faculties he loses the piece of paper they are written on or forgets where he has filed it. He would find it difficult to navigate GOV.UK Verify without assistance as he finds the amount of information presented to him onscreen overwhelming and often does not understand what he needs to do.

*HMRC need to be aware that older people often use older devices they have perhaps had for many years. They also need to be aware that faculties and the ability to remember and communicate online may change as people age. Even though an older person may be fully digitally competent in their late 70s or early 80s, their declining capacity or the march of technology may have overtaken them by the time they reach 90. It is therefore possible for people to become digitally excluded over time.*

### Case Study 10

Joyce has never been online in her life. She relies on her husband to do such things. Although she feels that she is a 'young' 79, she will not use the tablet that her husband wants her to as she sees herself as too old to learn how to use it. She has a mobile phone, which is switched off when she is not making or expecting a call. She has recently learnt to text but only switches her mobile phone on once or twice a day to see if she has received any messages. If her husband passes away before her, she may be persuaded to use online services having had a toe in the water but she will certainly need to see the benefits of them and be given appropriate help and support to enable her to navigate them.

*Joyce will need appropriate help and support to enable her to become digitally competent. This is likely to be face-to-face, one to one support. For people like her, HMRC need to make sure the benefits of digital interaction are made clear and that alternatives that give her equally as good a service are available in case she is unable to embrace the change.*

### Case Study 11

Kathleen is 70 and although she has an iPad that she uses for Facebook and to browse the internet she is hesitant to buy online because she is worried about security. She certainly would not transact with government online as she likes the assurance of being able to speak to somebody to reassure her that she is doing the right thing.

*In order to encourage Kathleen to start to interact digitally, HMRC must ensure that their services are robust and secure. Easily accessible help and support needs to be available to encourage people like her to trust the services and see the benefit of using them before they will be tempted to go online. If she chooses to interact digitally there needs to be a backup process in place so that she can be reassured she is doing the right thing.*

### Case Study 12

Ebenezer is 68 and lives in a small village in West Dorset.

He owns a computer and mobile phone but does not have a mobile signal where he lives. He therefore only uses the phone to take on long journeys when he is travelling alone. This is the only time he switches it on and he only knows how to make calls on it. He has never used it to send or receive text messages.

Ebenezer uses his computer mainly to do a little part time consultancy work which involves reading documents sent to him by email, writing reports in Word and conducting research through the Internet. He has no idea what a taskbar or sidebar is and has never heard of an online calendar or password safe. Neither does he understand the terminology URL or SMS. He does however know that the speed at which he can send emails is 0.9mbps because there is somebody else in the village who works with computers who has told him. At the other end of the village where he lives, they can apparently only send emails at 0.2 mbps.

Ebenezer has to pay around £50 a month for his broadband and telephone package which is a lot of money for him. He also recently had to pay £600 to replace his computer when the previous one stopped working and was deemed beyond repair. He felt that despite the cost, he had to replace it because the nearest public one is in the town library and that is seven miles away. Ebenezer fortunately has a car. If he did not have it would be very difficult to get to the library as there are no buses where he lives.

Despite his willingness to use IT, he is reluctant to bank online because he does not feel it is safe and has little trust in the IT working properly and reliably. Ebenezer keeps trying to use online services, including HMRC's digital services, but unfortunately has had several recent negative experiences:

- He gave up on GOV.UK Verify when he first tried to use it because the lack of a mobile phone signal meant that he was unable to receive the access code. He therefore ground to a halt half way through the process. He did however eventually get through to his PTA, but does not know how – he assumes it would have been through the Government Gateway as he knows for sure that he was forced to give up on GOV.UK Verify. He remembers that it took him over half an hour and that the access code came through to his landline phone. Unfortunately when he eventually got into his PTA the information contained there was incorrect – it still contained details of the employment he had left two years ago, even though he had had several telephone conversations with HMRC at the time he left this employment as there were problems with his notices of coding. It took two months before his account was updated.
- He tried to book some advance train tickets online. There were problems with the payment process and unbeknown to him the train company took his money three times without giving him any tickets. When he discovered the error, he contacted the train company who promised to organise his tickets and refund his money. It then took him a month of phoning every week to get his money back.
- He tried to book a holiday online but was repeatedly rejected by the payment system. Eventually he had to phone the travel company who did it for him over the phone.

Despite his willingness, Ebenezer is somewhat underwhelmed and frustrated with his attempts to become more 'digital'. He would do so much more if digital services were simple, easy-to-use and did not risk his security. For example, he has recently renewed his driving licence and road fund online licence – but only because he felt it would not matter too much if his driving licence number landed up in the wrong hands. The important thing was that he found the process really simple, straightforward and easy-to-use – enter your car registration number, click next, enter how long you want the licence, 6 or 12 months, click next, etc.

He wishes more services were like this as he finds it so difficult to cope with lots of passwords, user IDs, etc. He has to write them down and then remember where he put them, which he himself admits is not very safe or secure.

*Despite Ebenezer's willingness and persistence in trying to use online services, the continual round of negative experiences might be enough for him to eventually give up and completely disengage with trying to do anything online, apart from the simplest of transactions.*

*This is a willing and able customer who HMRC might be at risk of losing if their digital services are not easy to access and use. HMRC need to also reassure people like Ebenezer that the services are safe and secure.*



*Even if HMRC manage to convince Ebenezer to continue trying to use their services and he chooses to go 'paperless', the lack of a mobile signal where he lives means that any proposals to send SMS text reminders to nudge people to look at their account will not work for him so an alternative process must be in place.*

*The speed at which he is able to send and/or receive information from his IT equipment may also impact on his experience and willingness to transact digitally. Even if Government manages to achieve its target of delivering superfast broadband by 2017, this still leaves an estimated 5% or 1.2 million premises without superfast provision. What are the plans for helping the unfortunate 5%, of whom Ebenezer may be one?*

### The low income and vulnerable population – case studies

These case studies form part of the TaxAid complementary survey available at [Annexe D: Digital proficiency amongst the vulnerable and low paid taxpayer – a report from TaxAid.](#)

#### Case Study 13

Jamil, aged 60 is an office cleaner of Pakistani origin. He has no command of English. Although his earnings are below the personal allowance, the complexity of working across multiple agencies means he is required to file an Income Tax Return. Jamil has no access to the internet at home.

*How can people like Jamil ensure they meet their obligations when they have no command of English and/or no access to the internet at home? Although asking a friend or family member to help as part of the Trusted Helper service is an option, we often find that people are reluctant to share details of financial information with those close to them. We also find that friends and family in this type of situation are often not significantly more capable than the person seeking help. To use the Trusted Helper service both people need to verify identity through GOV.UK Verify, which in itself can be a hurdle even for those with internet access and a good command of English.*

*Because he has no internet access at home, Jamil will need to try to access it in a public facility, if he can find one or be forced to access it through the help of a friend or family member who does have access. Even if he can get help from friends or family, this will not necessarily address the language barrier.*

*Although HMRC encourage people to seek help from friends and family they need to be aware of the judgment in *LH Bishop Electrical Co Ltd & Others v HMRC Commissioners* [2013] UKFTT 522 (TC) that found it unlawful and a breach of privacy to be compelled to ask friends or family for help in meeting one's tax obligations.*

*What Jamil really needs is face-to-face support, preferably with somebody who can translate on his behalf, in order to give him a chance of understanding what he needs to do. Although this may be available through HMRC's NES service, he does not know it exists because it is not adequately signposted.*

#### Case study 14

Abeer age 55, originally from Algeria, uses the internet to bank but struggled to complete and file his tax return online. Because of a lack of familiarity and expertise he does not have the confidence to use the internet to access HMRC products. He is also unwilling to transact with HMRC due to a lack of trust. Abeer will need extensive support before he is willing to transact with HMRC digitally.

*Abeer does use the internet to bank but transacting with HMRC is another matter. He lacks confidence to do this and so will need help preferably face-to-face or on the phone. Because of his mistrust of HMRC, he may prefer that this help comes from an intermediary who can act on his behalf. Abeer cannot afford to employ an agent and does not want to discuss his financial information with his family or friends so the intermediary would likely come from the VCS. Government needs to continue to support the voluntary sector so that they can continue to help people like*

*Abeer. Another solution would be for HMRC to provide tailored help and support that is so good that it gives Abeer the trust and confidence to go on and use its digital services.*

#### Case Study 15

Darren is British. He came to TaxAid because he had problems with outstanding tax returns and consequent penalties. Darren has limited capability – level 2 on a scale of 1 to 5. Despite this he uses online banking and is willing, with face-to-face assistance to go online and transact with HMRC.

*HMRC's NES service may be able to help Darren understand what he needs to do and how he should complete his tax returns but he needs to know that this service exists in the first place. It is also worth noting that even though they may be able to provide help and guidance as to how to complete his returns, the service cannot help him compile his figures in the first place. Like Abeer, this help will need to come from either family friends or the voluntary sector. Government must ensure that help and support services are properly signposted. It should also continue to provide funding so that the VCS can help ensure people like Darren are not excluded and/or as a result potentially pushed into the hidden economy.*

#### Case Study 16

Adaeze, age 26 is of African origin. She has had multiple suicide attempts and on the last occasion was sectioned for six months. Adaeze is highly intelligent (rated at the top level) but has a mental capacity of 1. She is also a former prisoner. Her only source of income is rental income. She is likely to be on-going digitally excluded as a result of her mental illness.

*To ensure that people like Adaeze are not excluded, government must recognise that the issues faced by people like her are real and very likely to prevent them from complying with their obligations. It is highly unlikely that Adaeze will be able to transact digitally and so she must be able to access information on paper. We are concerned that even the latest design of the 'notice to file' form, recently circulated for comment by HMRC assumes that the reader can either submit online or download a copy of a return from the HMRC website. HMRC need to understand that digital interaction is not practical in all cases and it must take a more inclusive approach. Failure to do so may result in discrimination against those who cannot manage information digitally and like Darren, potentially push them into the hidden economy.*

#### Case Study 17

Sean is in the most digitally competent range. He is an ex-prisoner with several years of outstanding tax returns, penalties and is clearly finding it difficult to get work. Sean is unwilling to transact with HMRC due to security concerns.

*Frequent internet security issues either related to HMRC or other online companies may be behind Sean's unwillingness to transact online. We are concerned that if HMRC insist on mandation of MTD, this will be a huge hurdle for people like Sean and may push them into the hidden economy. As confidence in HMRC's digital services hopefully grows over the next few years, this may become less of a problem. If the services develop without issue, trust in using them may naturally grow. We are however some way from this situation and it is never possible to guarantee that any system will ever be 100% secure and it is therefore impossible to totally allay someone's fears. HMRC do however need to do what they can to instil confidence in their digital services*

### Case Study 18

Robert is in his mid-60s. He lives in an ex-mining town in the Welsh Valleys. He used to work in the mines and is a very proud, traditional man. Since they closed he has worked as an HGV driver but five years ago had to retire due to ill health. He has emphysema and some other debilitating conditions related to his mining work such as nerve problems in his hands due to carpal tunnel syndrome, for which he requires significant medication. Sometimes he does not leave his house for days on end.

Until recently, he had two small private pensions – one from the coal board and one from his lorry driving job. He was also in receipt of contributions based Employment and Support Allowance (ESA) which is taxable. Between all of these things, he received less than the personal allowance and so paid no tax (saying that, his main code was allocated against the Coal Board pension, with an adjustment for the ESA, and the other small pension had a basic rate code operated against it – so at the end of each year he got a P800 along with a refund).

He gets his paper coding notices each year and other correspondence from HMRC and puts them in the drawer in the cupboard. He does not really understand them but trusts that things are happening as they should, so does not worry too much about it all. He rests safe in the knowledge that he has kept all his papers somewhere safe anyway so that he can access them and check things if necessary.

Robert's state pension has recently come in and in 2016/17 he is now a taxpayer. His state pension is paid gross while the tax that is due on it is collected from one of his private pensions. He felt anxious at first as to why he now seemed to be paying lots of tax on his coal board private pension but he was able to show his papers to his daughter in law who talked him through the various coding notices to reassure him as to what was happening. His daughter in law lives far away from him and if he had any more problems or questions, he would probably wait until he saw her again to receive help. He would not want to phone HMRC directly – he is worried about waiting in the long queues he has heard about and then having to explain himself to the adviser. He only has a mobile phone too – it is not a smart phone and to get a signal he has to stand outside in the garden, which in bad weather he could not do!

*Robert could not 'self-serve' via GOV.UK nor use any kind of digital account. He does not have a landline (too expensive) and therefore no internet. In any case he cannot use and does not own a computer. There is a library in town, which he could drive to but it is difficult to park and as he struggles to breathe, he feels nervous at the idea of having to walk far. He would not be able to use the computer once he got there anyway – he would not know how to switch it on, let alone type things with his painful and numb fingers and hands. He has some friends who could help him by doing his things 'online' if necessary, but they are busy and only drop in once or twice a week and in any case he is a private person and would not really like to ask. He is just about keeping on top of managing his, relatively simple, tax affairs as things stand, and the thought of having to do things differently, and keep passwords and set up accounts and not have papers to put in his drawer and refer to if necessary, frightens him.*

*How will HMRC ensure people like Robert get the help he needs? NES might be suitable for him but he does not know anything about it because HMRC do not make its existence widely known.*

### Case Study 19

John and Sheila are in their early 70s. John has always looked after the couple's finances and was confident using emails and internet banking. Sheila is confident using the internet for shopping and sending emails, but she is not confident in using internet banking or dealing with financial information. John has Parkinson's Disease and the onset of dementia, he easily gets confused with dates and cannot remember passwords or online security details. He also struggles to use a mouse and has recently decided to no longer use the computer.

*Until recently this couple could have used the internet to interact with HMRC and deal with their tax affairs, however with the rapid decline in John's health this is no longer the case. Sheila is caring for her husband and feels she does not have time to learn new skills nor does she want to. They are examples of people who can easily and rapidly move from being digitally included to digitally excluded.*

#### Case Study 20

Jason is a very talented stonemason who suffers from dyslexia and as a result is unable to transact online. He does send emails (but his wife has to write them for him) and he does buy tools online (but his wife has to pay for them via her own PayPal account because Jason can never remember how to get into his). His wife tells us that she can show him a hundred times how to log onto his internet banking, but he just has a mental block and cannot do it. She wonders whether it is because his brain works differently – she really does not know.

*If MTD is mandated, Jason will be completely unable to interact with HMRC digitally, unless his wife does it for him. Although she is happy to help, she does wonder why she and others in a similar position need to pick up this responsibility particularly when Jason might be very capable of interacting with HMRC in an alternative way.*

#### Case study 21

Martin is a 65 year old accountant. He has been using personal computers for over 30 years. In fact, he was using them before graphical user interfaces such as Windows were even in common use. He also has a technology degree.

As Martin has got older he has however developed different eye conditions that mean he now has to use a high contrast theme when using a computer. He also cannot read graphical representations of letters that are used by many online services to prove that a human is trying to access them.

Despite his digital competence (he can type quickly and uses many different software programmes) his need to use a high contrast theme means he cannot always access a website. This is due to two main issues. The first is to do with graphics – buttons do not change colour so if the screen he is looking at has a black opaque background he will not be able to see a button. The second is to do with how colours interact on screen: for example black text on a white background under high contrast might change to yellow on black but there may also be secondary themes such as a table that has yellow text on a grey background which when translated under the high contrast theme may come out as black on purple which he cannot read.

Although there is specialist software, such as text to speech software that may help him with his conditions, he cannot use it as he cannot always hear what is said properly.

*Martin is an example of somebody who although extremely digitally competent is at risk of becoming digitally excluded as a result of ill health. HMRC need to consider people with visual conditions such as Martin when designing digital services. It is also essential that help and support – other than online or telephone support because he may not be able to access it – is available. If this support is to come from HMRC's NES service, they need to be aware of and be equipped to deal with a range of situations resulting from different health conditions. If all else fails and Martin is unable to access HMRC's digital services, alternatives that are as good as what is available digitally must be available to him.*

#### Case study 22

Simon has been diagnosed with dyslexia and Asperger's syndrome. In 2010, he was also diagnosed with Bipolar Depression. His conditions mean that he is inflexible in his routines and cannot break one once started. He also has marked impairment in the ability to initiate or sustain a conversation with others. He has a tendency to be a bit

pedantic or to include too much detail. He has to avoid becoming overstressed and anxious as this will exacerbate his symptoms and make him less able to communicate.

He has a fixed routine which enables him to run a small building supplies company. He has also in the past been able to file his returns online with help from HMRC.

*Changes such as the significant ones proposed as part of MTD are likely to cause people like Simon difficulties. Due to their complexity, tax documents have always caused him problems in the past. When he has needed help from HMRC he has always sought this at an enquiry centre. At times he has visited one several times a day to meet people face-to-face and they would explain to him how to complete his forms. The withdrawal of the service and the difficulty Simon experiences in trying to have a conversation on the telephone means that the only option available to him to get help, which he will undoubtedly need with the transition to MTD, will be to rely on HMRC's NES service. It is important to recognise that although not the case for Simon, some people with conditions like his will only interact with a limited number of people they know and trust and therefore may not be receptive to receiving help from 'strangers'. Although they could of course employ an agent or ask family and friends, people do not always have the means or feel comfortable to do this.*

### Unexpected digital exclusion – case study

#### Case study 23

Sharon and Tony are a married couple in their mid-thirties with two children.

Sharon deals with most financial matters online such as paying the bills and claiming child benefit. She also helps Tony complete and file his annual self assessment tax return online, but apart from that has nothing to do with his private banking.

Tony, in turn, deals with all of the household's 'IT' such as setting up the broadband router with booster devices in other rooms each with their own unique IP address.

If Sharon has a problem with anything technical in the house, she relies completely on Tony to sort it out. Tony has no idea what the bills are or how to pay them. He relies completely on Sharon to do this.

It is easy to see in this situation how a digitally functioning household could become digitally excluded if either one of them died or became otherwise incapacitated.

If Sharon were to predecease Tony, he would, despite his IT competency, not be able to access any of the online accounts to manage the bills or claim entitlements. If Tony were to predecease Sharon and there were technical difficulties in the house such as no internet connection she would not have a clue what to do, meaning that although she knows how to manage their financial matters online she would have no idea how to fix the IT equipment to allow her to do it.

*Sharon and Tony's situation may by no means be unique. It illustrates how a previously digitally competent person could become digitally excluded through life circumstances. The issues raised here would be even more pertinent if only one of them was digitally competent and that person predeceased the other. It is vital therefore that help and support is available for people who find themselves in these circumstances. And for those who despite help might no longer be able to interact digitally, alternatives must be available.*

# Annexe D: Digital proficiency amongst the vulnerable and low paid taxpayer – a report from TaxAid

This section contains findings from a complementary survey of a 100 people who attended face-to-face tax advice sessions with TaxAid during 2015/16. Respondents were representative of people who come to TaxAid for help – those with a low income, in self-employment or with complex multiple employments.

The survey questions focused on:

- internet access and how this compares to the general population
- the issues that create barriers to digital transactions
- the use of other government services and what conclusions can be drawn from this
- how respondents interact with HMRC
- respondents' willingness to interact with HMRC digital services.

Although a small and strictly not statistically valid sample, the findings are interesting and to some degree echo the findings of our survey available at [Annexe B](#).

TaxAid is aware that the timing of the interviews invited classical bias in that having helped resolve long-running intractable problems, those interviewed were more likely to respond in a manner they perceived the interviewer might be hoping to hear – for example being more inclined to agree to questions around willingness to use HMRC's digital products than in practice they might be capable of doing.

It is also important to understand that those who come to TaxAid for help typically have multiple low-paid employments or are self-employed because that is their only option of finding work. This may be because of lack of education, limited literacy or numeracy skills or poor understanding of English.

They are also likely to be classified as 'needs enhanced support' under HMRC's definition of this term. Additionally, they may be vulnerable, due to limited physical or mental capacity (in 25% of cases because of mental illness or physical brain degeneration) or because personal circumstances have resulted in a failure to deal with or resolve a tax problem over many years. Those with mental health issues or brain injury are generally less able to engage with HMRC. This reduction in capability will not necessarily be resolved by the move to digital.

Issues of assessing capability – and indeed capacity defined as related to mental state – were necessarily largely subjective. They were however based on information provided by the respondents about their mental and

physical health along with substantive evidence of an individual's tax problems and detailed questioning of their circumstances.

## Analysis of findings

### *Internet access and barriers to internet access*

- HMRC's 2015 Digital Exclusion and Assisted Digital Research report defines the 'digitally excluded' as those 'with no access' or 'no use despite access'. While HMRC research suggests that 15% of the general population are digitally excluded, 56% of those interviewed in the TaxAid survey fell into the 'digitally excluded' category.
- This suggests a significant gap in levels of digital access amongst the low income and vulnerable taxpayer, highlighting an extensive need to provide support and assistance for this group. Only 10% of those interviewed had filed or attempted to file their tax return online, substantially lower than the 'almost' 90% of the general population that have done so.
- 20% of respondents were digitally excluded because they did not have internet access.
- 80% of respondents had internet access – 91% at home which can also be their place of work. Of those with no access at home, 1% accessed the internet at a friend's or relative's house, 1% at a workplace, 4% at a library and 3% at another public facility. Internet use other than at home is generally time limited. Respondents tend to use a large proportion of this limited time to perform essential tasks such as searching for a job. Reviewing information on their taxes and conducting transactions with HMRC would only add to such time pressure.
- Of those with access at home, 45% either had a disability which prevented their use of the internet, were unable to afford it, or lacked capability because of poor English, literacy, dyslexia or dyspraxia issues as well as a lack of confidence in internet security or their own skills.
- Capability was assessed on a scale of 1 – 5. 32% of respondents found understanding tax information 'very challenging' (level 1). Only 7% were assessed as 'capable' (level 5) and even amongst this small percentage, their ability was impaired by mental illness, such as depression, anxiety, ME/Chronic Fatigue Syndrome.
- It was evident that even the most capable need help to search, interact and transact with HMRC online.
- These findings effectively mean that 56% of those interviewed by TaxAid were digitally excluded, where digital exclusion means no access or no use despite access. Anecdotal evidence also suggests that people in this category are usually unable to access 'friends and family' help, possibly because of similar backgrounds or ethnicity, unwillingness or reluctance to share personal financial data or lack of a social support network.
- While some respondents had access through their mobile phones and indeed for some this was the only access, the survey did not look at internet use across different devices. Further research is needed to understand whether being able to interact with HMRC through a mobile device increases uptake or whether issues such as capability, disability and literacy are overriding issues that will not necessarily be addressed by making HMRC's digital services more accessible via mobile devices.
- There was no evidence that younger people who came to TaxAid for help were more willing to transact with HMRC. Even if they were digitally more capable, their capability in terms of tax understanding and responsibilities was low.



### *Use of GOV.UK and online transaction*

- Of respondents with internet access, 49% never used the GOV.UK website. Only 12% used it for more than one discrete purpose. The most frequent use was to renew car tax – 52% of respondents had used it for this purpose. 10% of the same group had also either filed tax returns or attempted to do so at some point.
- Disability, lack of capability, difficulty with the language used and an expectation that they would not understand complex tax information were reasons given for not using GOV.UK. Indeed, those who subsequently sought help from TaxAid confirmed that searching for information about their problem had not brought them the extensive advice they sought.
- A major reason respondents thought themselves as lacking confidence and/or expertise to use government online services was that GOV.UK was perceived as complex and confusing.

### *Respondents' interaction with HMRC*

- TaxAid's experience from calls to our helpline is that the people who contact us have needs greater than HMRC can provide. Tax Aid's objective is to provide support for those who have been unable to resolve their tax issue with HMRC. Problems often arise from the complexity of their working situation, for example registering for the CIS but not finding work and then not realising that they need to either file or not file a tax return and/or to de-register from self assessment.
- Poor record keeping and poor understanding of the overall obligations of self-employment were other major reasons why they sought help. There seems little prospect that a requirement to keep records electronically will help address this underlying capability issue.
- 70% of respondents had used or tried to use HMRC's helpline before coming to TaxAid. Reasons why they needed further advice included:
  - 27% felt the advice they had received from HMRC was unhelpful;
  - 19% were handed off to TaxAid by HMRC's NES service as being beyond their remit to assist;
  - 15% had difficulties or were unable to get through to HMRC; and
  - 15% were told that their problem was beyond the scope of advice which HMRC could provide on the phone.
- In addition, a minority of respondents did not have sufficient command of English to be able to explain their issues and understand HMRC's advice over the telephone.
- To some extent callers were being told to look online for an answer to their problem. People who have difficulty understanding telephone information are unlikely to have the online proficiency and capability to search and resolve their query. Those who do try find using GOV.UK complex and confusing.

### *Respondents' willingness to transact with HMRC online*

- TaxAid asked respondents whether they would be willing to check and/or transact with HMRC online or search for information on pensions and tax.



- Overall, willingness to use HMRC's online services increased with respondents' capacity to do so, although this was not always clear-cut. For example, those with higher levels of education often had greater concerns about security and those across the spectrum of capacity/capability who had been previously sensitised to security issues had a lower level of trust of the security of HMRC digital services.
- Respondents were particularly nervous of transacting online.
- Concerns include: cyber security; a particular mistrust of HMRC; and that they would be more likely to make, and less likely to be able to correct, mistakes when transacting online as compared to transacting on paper and by post.
- 68% claimed they would not or would be unlikely to transact online generally. From the total sample, 39% said they were willing to check their taxes online, while 34% were willing to search for tax information online. 79% were unwilling or unlikely to transact specifically with HMRC. While this figure includes the 20% with no access to the internet, the current digital capability of many of the vulnerable, low income self-employed suggests there is a huge challenge to overcome to engage digitally with this group.
- Of those willing to use or consider using HMRC's online services, 90% said they would require further help and instruction to be able to do so.
- No demonstration model of HMRC's PTA was available at the time of the survey. It would therefore be helpful to conduct further investigation into the reluctance to engage digitally once people have the opportunity to see the account in action. It is telling, however, that two people who were shown the beta model of the account in a separate demonstration were more reluctant to engage digitally after they had seen this than beforehand.

TaxAid's conclusion is that amongst those who go to them for help, there is a general nervousness to transact online. This is supported by the finding that, of those who did not use GOV.UK, only 25% carried out the relatively simple task of internet banking for their work. This suggests a general lack of proficiency, confidence and/or capability among vulnerable and low-paid taxpayers to using computers and/or the internet.

It should be noted that the survey was conducted with people who had previously tried over many years to resolve their tax issues with HMRC and throughout this time had not understood advice received from the HMRC helpline.

As the findings illustrate, many either have limited or no access to the internet, or have a disability or impaired capability. It is not therefore surprising that many either cannot or are reluctant to interact digitally either through lack of access, capability or confidence in HMRC.

## Summary and conclusions

The statistics reveal that 20% of respondents had no internet access at all. A further 36% had no real access due to disability, lack of capacity or capability, therefore 56% of the total sample were digitally excluded. It is particularly frustrating to learn that GDS no longer recognises the category 'digital exclusion' but now uses the definition 'in need of digital assistance'. This goes against the findings of its 2014 Digital Inclusion Strategy that acknowledged that there will always be 10% of the population who will never be capable of going online.

Even amongst those who had internet access, there is a huge gap between being able to go online and being able to manage your tax affairs online.

The level of capability needed for digital record keeping or to understand and manage a PTA could potentially be far beyond what is needed to correctly complete and submit a self assessment form online. As only 10% of those surveyed (who had internet access) attempted to do or succeeded in doing this, we can assume a particularly high level of digital exclusion amongst those who come to TaxAid for help with their myriad of socio-economic, health and literacy issues. This is of particular concern as HMRC move to an increasingly digital platform.

We are concerned that the small proportion with appropriate internet access and capacity to sign up for their PTA may do so, but will then be unlikely to understand the information presented, what they need to do or they might try to do something and get it wrong. It is not reasonable to assume that because information is displayed digitally that it is any more comprehensible to the taxpayer than the information displayed on say a paper notice of coding.

While they may be able to access their account and make changes, there appears to be no reasonableness check in place. A situation could arise where, without the relevant understanding, they could make an incorrect change to their code for example which could result in a future tax problem for which they then have to take responsibility, as they had the ability (through their PTA) to ensure their tax code was correct.

Currently, HMRC expect a taxpayer with a PAYE code query to call the HMRC helpline and speak to an adviser. This interaction aims to provide the taxpayer with sufficient information to understand their tax code and provide relevant information if changes are needed. Using a PTA to understand a tax code removes that interaction with somebody trained in tax who can be relied on to explain the issues. It also passes responsibility from HMRC to the taxpayer.

Taking all of this into account, we welcome HMRC's decision not to introduce proposed changes to the P2 notice of coding that would have provided no detail but instead referred people to their PTA for more information. Leaving the P2 as it is but with signposting to the PTA for those that want to is, in our view, the right way forward – people should be encouraged (where they can) to use digital rather than forced to do so.

HMRC should also ensure that functionality such as prompts and nudges that allows a reasonableness check to take place are built into digital tax accounts, for example questioning where a taxpayer inserts expenses that are out of line with previous years.

TaxAid do not comment specifically on the business tax account, digital record keeping or quarterly reporting as part of their survey findings. It is however, clear that the barriers that prevent people from having access or the ability to interact with HMRC digitally are multiplied many times when considering the obligations that these more onerous provisions will bring for the self-employed.

It is also important to note that when a demonstration model of the PTA was made available by HMRC outside of this survey, willingness to transact digitally decreased. Anecdotal evidence suggests that this was because it was beyond people's capacity to understand the terminology used and figures presented.

In order to enable more vulnerable taxpayers on low incomes to use HMRC's digital services, it is not sufficient to adapt websites or improve internet access at public facilities. It is apparent that low-income vulnerable taxpayers have needs far in excess of the general population when it comes to accessing digital services and interacting with them meaningfully. Appropriate help should be available at the point when they need it.

These comments are partly echoed in HMRC's 2015 Digital Exclusion and Assisted Digital Research<sup>93</sup> report which states that "investing in helping those who want help to do it themselves, with extra guidance and/or signposting to other sources should build confidence/ability across all online government services."

It is vital that measures are put in place to help the most disadvantaged transact digitally. Additionally it is equally vital to recognise that there will always be some for whom digital services are not appropriate. For these people, an alternative needs to be available.

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93 See page 10, *Digital Exclusion & Assisted Digital Research report* – [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/457800/Digital\\_Exclusion\\_and\\_Assisted\\_Digital\\_research\\_publication\\_report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/457800/Digital_Exclusion_and_Assisted_Digital_research_publication_report.pdf) (Published August 2015)

# Annexe E: LH Bishop Electrical Co Ltd A F Sheldon (t/a Aztec Distributors) v Revenue & Customs [2013] UKFTT 522 (TC) (30 September 2013) – an overview

This is a summary of the facts and judgment in *LH Bishop Electrical Co Ltd & Others v HMRC Commissioners* ([2013] UKFTT 522 (TC)),<sup>94</sup> where HMRC regulations which mandated online VAT returns without regard to the needs of the elderly, disabled people, or those living remotely were found to be incompatible with those people's human rights.

## The appellants

Approximately 100 taxpayers had filed appeals against notices to file online, mostly in Value Added Tax (VAT) cases but some also in Pay As You Earn (PAYE) cases.

Three lead appellants, LH Bishop Electrical Company Ltd ('LH Bishop'), Mr Allan Sheldon and Mr Robert Tay took part in what was effectively a test case, appealing against notices served by HMRC that required them to file their VAT returns online.

Mr Bishop was majority shareholder and director of LH Bishop, an electrical contracting business. His 80 year old mother was co-director. Mr Sheldon traded as Aztec Distributors, wholesaling electrical equipment to factories, schools and electrical contractors. Mr Tay ran a business selling petrol and groceries in a village in the Brecon Beacons, North Wales.

Messrs Bishop and Sheldon both experienced disabilities which meant they found it painful to use a computer, or impossible to use it accurately – Mr Bishop had a shunt in his head to treat his hydrocephalus and had vision impairment, while Mr Sheldon also had impaired vision and severe rheumatoid arthritis which affected his hands. Mr Tay lived in a remote area of the country where broadband access was absent or unreliable.

All three were of an age which made learning how to use a computer difficult in comparison with younger people, and while Mr Sheldon had learned to use one while serving a former employer in a managerial role, the other two had never learned and did not possess computers. They had all filed their VAT returns promptly and accurately on paper for many years.

A fourth appellant, Brinklow Marina Limited, was appealing on the grounds that online filing also required online payment, which entailed issues of security and was not risk-free – his appeal was dismissed on the grounds that he

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<sup>94</sup> First-tier Tribunal (tax) *LH Bishop Electrical Co Ltd & Others v HMRC Commissioners* [2013] UKFTT 522 (TC) – <http://www.bailii.org/uk/cases/UKFTT/TC/2013/TC02910.html>

had failed to show the degree of risk, and the European Convention on Human Rights did not guarantee risk-free communications.

The appellants were able to appeal because they came within the first tranche<sup>95</sup> of online filers whose liability to file online depended on HMRC serving a notice requiring them to do so, against which the statute had provided an avenue of appeal.

### The judgement

Judge Barbara Mosedale presiding over the case of *LH Bishop Electric Co Ltd v HMRC*<sup>96</sup> found that HMRC's failure to provide exemptions (for older or disabled people or those living remotely) against the compulsory requirement to file VAT returns, was a breach of human rights and unlawful under European Union (EU) law. The judge said:

"I have found that because of its disproportionate application to persons who are computer illiterate because of their age, or who have a disability which makes using a computer accurately very difficult or painful, or those who live too remotely for a reliable internet connection, that the regulations were an interference with Convention rights under A1P1 and A8 [of the Human Rights Convention] combined with A14 [of that Convention] which was not justified...So far as EU law was concerned I found the obligations to be disproportionate because they failed to make exemptions for the elderly, disabled persons or persons living too remotely for reliable internet access."

This judgment only concerned those in the first tranche of taxpayers mandated to file VAT returns online.

### Definition of 'person'

It is worth noting a section of the judgment on the nature of what is a person for the purposes of considering human rights provisions.

The first-named appellant was a company appealing against an HMRC notice to file VAT returns online. The company's main director, Mr Bishop, had various personal disabilities and his appeal grounds centred on his personal ability to comply with the notice.

While HMRC argued in the hearing that companies can have no human rights, the judge disagreed.

"In conclusion, I consider that it is irrelevant to the first and fourth appellant's case that they are incorporated companies: they have the same human rights as their owners would have had had they chosen to conduct their business without incorporation."

In the paragraphs preceding this conclusion, there is a detailed discussion on how a corporate body may be looked through to a degree where it is a small company, effectively the "alter ego" of its proprietor(s).

### The legislation

HMRC had by notice (under regulation 25A (7) of the VAT Regulations 1995/2518) required all the appellants to file online from April 2010.

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95 Compulsory VAT online filing was introduced for all businesses with a turnover of over £100,000, and any newly registered business, with effect from 1 April 2010 and for all businesses with effect from April 2012. HMRC refers to businesses liable to registered for online filing from April 2010 as "first tranche" and those only required to be registered from 2012 as "second tranche".

96 First-tier Tribunal 522 (TC) – <http://www.bailii.org/uk/cases/UKFTT/TC/2013/TC02910.html>

They appealed against these notices under VATA section 83(1)(zc).

Pending the hearing, the appellants were allowed to continue filing VAT returns on paper.

### HMRC's concessionary alternatives – telephone filing and use of enquiry centres

During negotiations prior to the hearing, HMRC offered the three lead appellants the option to file their VAT returns by telephone. The appellants rejected the offer.

Although superficially telephone filing might have seemed attractive, as HMRC would phone the taxpayer (rather than the taxpayer having to phone HMRC) at a time agreed after each call, one major drawback as far as the appellants were concerned was that during each call they would have needed to fix a time for the next call, three months hence. They felt this would be impractical for a person running a small business by themselves.

At the hearing, HMRC argued that being given the option to file by telephone meant there was simply no question of HMRC having breached the law in relation to its treatment of elderly or disabled persons. Even if the Tribunal were to find that the VAT online filing regulations breached the appellants' human rights or EU law, HMRC said that the option to file by telephone would have remedied that breach.

The judge however found that the offer to file by telephone was unlawful for two reasons.

- Regulation 25 of the VAT Regulations 1995/2518 required any return not filed electronically to be on paper, so phone filing was *ultra vires* HMRC's care and management powers.
- The concession to file by telephone was unpublished and largely secret so that few people who were intended to benefit would have heard about it. Indeed, the appellants themselves had been offered the facility in an attempt to settle the litigation. The judge also found that the concession could not justify a breach of human rights law or EU law. And finally, it could not be relied on in this case because the ability to file by telephone did not exist when the notices were issued.

HMRC also said that it was possible for people who had difficulty filing online to go to an enquiry centre where an HMRC officer would use a stand-alone computer to help the person to file online. This offer however, was also kept secret and the judge found that it could not be used to plug a breach of human rights or EU law. She also noted in passing that since the hearing HMRC had announced that they were closing all enquiry centres, and indeed they have all now closed.

### European Convention on Human Rights (ECHR)

The three appellants won their case under the ECHR even though HMRC denied there was any breach. The three relevant provisions of the ECHR were:

- Article 8 (A8) which protects the right to respect for private and family life.
- Article 1 of the First Protocol (A1P1) which provides that every natural or legal person is entitled to the peaceful enjoyment of his possessions.
- Article 14 (A14) which requires that the ECHR rights and freedoms should be enjoyed without discrimination. A14 is not stand-alone: it merely confers the right not to be discriminated against when exercising the other rights contained in the ECHR.

These provisions do allow governments a 'margin of appreciation' within which a breach could potentially be justified, for example a deprivation of possessions might be necessary for securing payment of taxes (A1P1).

However, even though the VAT online filing regulations were intended to secure payment of taxes (by providing for the efficient collection of VAT returns) and it was entirely reasonable for European Union Member States to want to reduce the costs of tax collection, the ECHR states that the measure used must also be proportional and Member States must not make a person bear "an individual and excessive burden."

The appellants had several options open to them to comply with the online filing requirement. The judge had to determine to what extent these options would involve a breach of human rights.

- **By using their own computer and internet link, which would require expenditure on hardware and software and a broadband or dial-up link.** If the appellant already owned an online computer there would be no breach in compelling him to use it (if he could) to file his returns, but if he was compelled to buy one to fulfil this obligation, that would be a breach of A1P1. It would be outside the 'margin of appreciation' allowed to governments because the cost of the equipment and connection would be out of all proportion to the cost benefit to HMRC in having a return filed online. A computer illiterate person would have to learn how to use the computer, and the judge found as a fact that older persons were more likely to be computer illiterate than younger users. There would therefore be a breach of A1P1 in combination with A14.
- **By using an online computer belonging to a friend or family member or by asking a friend or family member to make the online submission on their behalf.** If a taxpayer were compelled by law to use a computer belonging to a friend or family member or to ask them to act as their agent, that would be a breach of A8 irrespective of any question of discrimination. But it would also constitute discrimination against people who were disabled or elderly or who lived remotely as they would be more likely not to have a computer or be able to use one.
- **By using a public computer free of charge at a library.** Requiring a person to use a computer at a public library would not in itself be a breach of A8. But the importance the UK Government places on taxpayer confidentiality brings the VAT online filing regulations within the ambit of A8. The government must not discriminate against a taxpayer's right to confidentiality and since HMRC recognise that it would be a breach of their duty of confidentiality to transmit details of a taxpayer's affairs through a public library computer, there would equally be discrimination if they required that of some taxpayers and not others. The discrimination would apply to older taxpayers who because of their age were less likely to own their own computer and more likely to have to rely on public libraries. It would apply similarly to people living remotely who do not enjoy the same broadband facilities as the vast majority of the UK population.
- **By engaging a professional agent to make the online submission on their behalf.** Compelling someone to use a professional agent would be a breach of A1P1 either alone or in conjunction with A14. Those discriminated against would be those who are computer illiterate due to their age, a disability, or who live remotely.
- **By using HMRC's phone filing facility or by using a computer at an enquiry centre.** The judge held that HMRC could not rely on these options for the reasons given above.

Mr Sheldon, it was found, was too disabled to use a computer accurately. Mr Bishop was too disabled to use a computer without pain. Mr Tay and Mr Bishop were computer illiterate due to their age and because he lived remotely, Mr Tay in practice only had the option of friends or family, public library or a professional agent. While compelling reliance on friends and family was an interference with the right to a private life, all other options would have involved the appellants in expense which they would not have had to incur if they had not been elderly

or disabled or living remotely. Interference with A8 or A1P1 can be justified and the state has a 'wide margin of appreciation', but in this case there was also discrimination.

### European Union (EU) law

Since the appellants had won under the ECHR, it was strictly unnecessary to consider how EU law applied to their case. The ECHR was in any case part of EU law for this purpose. But the judge did consider the case law on proportionality and the principle that a measure is only proportionate if:

- (a) it has a legitimate aim;
- (b) it is appropriate to that legitimate aim;
- (c) it goes no further than necessary and, where there is a choice, has recourse to the least onerous measure; and
- (d) its disadvantages are not disproportionate to its aim.

It was agreed that mandation has a legitimate aim – that of reducing HMRC's costs by having VAT returns made electronically. But the appellants said that it went further than necessary because HMRC gave no exemption to older or disabled people or those living remotely. The judge agreed that the discrimination was disproportionate because it would be easy to include those people in the exemption already provided for others.



# Annexe F: About LITRG, TaxAid and Tax Help for Older People

## The Low Incomes Tax Reform Group (LITRG)

The LITRG<sup>97</sup> is an initiative of the Chartered Institute of Taxation (CIOT) to give a voice to the unrepresented. Since 1998 LITRG has been working to improve the policy and processes of the tax, tax credits and associated welfare systems for the benefit of those on low incomes. Everything we do is aimed at improving the tax and benefits experience of low income workers, pensioners, migrants, students, disabled people and carers.

LITRG works extensively with HMRC and other government departments, commenting on proposals and putting forward our own ideas for improving the system. Too often the tax and related welfare laws and administrative systems are not designed with the low-income user in mind and this often makes life difficult for those we try to help.

The CIOT is a charity and the leading professional body in the United Kingdom concerned solely with taxation. The CIOT's primary purpose is to promote education and study of the administration and practice of taxation. One of the key aims is to achieve a better, more efficient, tax system for all affected by it – taxpayers, advisers and the authorities.

## TaxAid

TaxAid<sup>98</sup> provides free, independent, advice across the range of tax issues that impact people on low incomes (individuals with a gross income of £20,000 a year or less).

We help the most disadvantaged 20% of unrepresented taxpayers on low incomes who cannot afford professional advice.

We use our unique experience of advising people to influence government and HMRC in cases where the tax system is unfair, inefficient or reduces incentives to work.

We also train high street advice agencies to recognise problems, deal with the first step and appropriately refer.

TaxAid runs a national helpline, and provides face-to-face services in London, Manchester, Birmingham, and Newcastle upon Tyne. We also give advice via email.

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97 Low Incomes Tax Reform Group of the Chartered Institute of Taxation is a registered charity (No. 1037771).

98 Tax Aid is a charity registered in England & Wales (No. 1062852).

## Tax Help for Older People

Tax Help for Older people is a service run by the charity Tax Volunteers<sup>99</sup> that provides free, independent and expert advice and help for older people on lower incomes (individuals with a gross income of £20,000 a year or less).

Our volunteer tax advisers are spread right across the UK. Most are practising or retired tax professionals, including retired HMRC staff. These volunteers give their time and expertise free of charge because they recognise how difficult the tax system can be for older people who can't afford professional advice and they want to use their skills to benefit the community.

We answer 80% of queries over the telephone but where it cannot be resolved by this method, we will arrange a face-to-face meeting with a volunteer adviser. For anyone unable to travel because of disability, we will arrange a home visit.

Our advice is free, independent and confidential. Advice can be given on any personal tax matter, large or small.

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<sup>99</sup> Tax Volunteers is a UK registered charity in England (No. 1102276) and Scotland (No. SC 045819) and an independent company limited by guarantee.

# Annexe G: Acknowledgements

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