

HMRC Consultation

Supporting Customers Who Need Extra Help - a new approach

Response from the Low Incomes Tax Reform Group ('LITRG')

1 Executive Summary

- 1.1 LITRG has consulted widely with colleagues in the voluntary sector and the professions who share a common understanding and wider perspective of the impacts of the HM Revenue & Customs (HMRC) announcement.
- 1.2 LITRG generally welcomes the HMRC proposals which aim to introduce a better system for those who need enhanced support. We have long observed that the continual dilution and reduction of Enquiry Centres and their opening times has meant that taxpayers cannot easily get the help and support they need to handle their tax and tax credits affairs.
- 1.3 LITRG welcomes the opportunity to comment on the consultation and to be involved in the pilot as a new model is developed. We are particularly keen to assist in helping to shape the guidance and training that will underpin the new model and to ensure that it offers the right service to those who need it.
- 1.4 HMRC must ensure that the particular needs of taxpayers and tax credits claimants are at the core of this proposal. A one size fits all approach cannot work and HMRC must do all they can to offer a more tailored service to this group of vulnerable people.
- 1.5 In order for the model to succeed, LITRG believes that customer service and not cost cutting should be the driver at the core of this proposal. This means that the service must be easily accessible, affordable and offer users appropriate advice in a way that suits their needs and circumstances. For the model to meet these requirements, it must be acknowledged that

needs will obviously vary. HMRC must be prepared to invest in equipping staff with specialist skills so that they can give the best service during an initial call/meeting. The taxpayer must not experience being 'passed around' by HMRC if there are multiple strands to their enquiry. A joined up approach at all times is essential.

- 1.6 HMRC must work closely with those Voluntary and Community Sector (VCS) organisations which will shoulder some of the extra burden from the closure of Enquiry Centres. This in turn will put further pressure on those organisations' already stretched resources. Adequate funding to the VCS is crucial and must be provided to deal with any additional workload. Should further funding be required than has already been agreed, then this must be accommodated.
- 1.7 Those who are digitally excluded need to be considered when developing this model as many will in the past have used Enquiry Centres to manage their tax and tax credits affairs. An alternative service for them should be put in place during the pilot, and success measured by its effectiveness. Notwithstanding the government's drive to 'Digital by Default services', HMRC must make sure that those unable to engage digitally are not left without support. The digitally excluded, the numbers of which are considerable, are more likely than most to become unintentionally non-compliant as a result of mandating digital interaction with HMRC¹.
- 1.8 Equally, those who struggle to handle their affairs by telephone must not be left behind, especially in light of the new telephony systems which HMRC are due to launch alongside these other changes. Those taxpayers with speech and hearing difficulties are likely to find the telephony changes an extra burden and to look for a face-to-face opportunity to engage. Those with mental health problems may not also be able to cope easily with telephone menu systems.
- 1.9 Although we understand the need for HMRC staff to use specific assessment criteria in determining who should be referred into the new service, this needs to be done alongside a common sense approach as it may not be apparent at first contact that someone is in need of extra support. Taxpayers' needs should be assessed with sympathetic consideration rather than by means of a rigid process and there should be no quotas applied, especially for the mobile face-to-face appointments. Above all, taxpayers should not be left to become non-compliant because of this change. This would be a burden for all concerned – the individual, HMRC and the Exchequer.
- 1.10 The deadline for consultation responses being so close to the start of the pilot means that HMRC is unlikely to be able to make any changes to their planned model before the pilot starts. Any changes that can be made to the pilot as a result of the consultation can at best be made in the middle or towards the end of the pilot, giving little time for experience of the changes. HMRC must therefore be prepared to agree to whatever adjustments can be made

¹ See our research report on Digital Exclusion:

http://www.litrg.org.uk/Resources/LITRG/Documents/2012/05/digital_exclusion_-_litrg_report.pdf

as the pilot progresses. Yet the timetable set out in Chapter 8 raises considerable concerns that the time being allowed is insufficient for the careful consideration which the project requires.

- 1.11 The pilot itself is to be evaluated over a two month period which, because of Christmas, will in practice be no more than seven weeks. This is a very short period if it is to be thorough, including evaluation not only of the original pilot but also of the pilot as altered as a result of the consultation. The performance of the new service and the effect of closing Enquiry Centres should be closely studied for at least a whole year, and at the very least the pilot and evaluation period together must encompass the self-assessment filing date at the end of January 2014.
- 1.12 Nevertheless, HMRC must commit themselves to conducting a full evaluation and to sharing these results before any long-term decisions are agreed and put in place. The solution must be one that works for all concerned in this area – customers, VCS organisations, HMRC staff and HMRC processes.
- 1.13 The measure of success must always be the impact on taxpayers and tax credits claimants. There should be no extra burden on them because of this change – indeed the replacement service must be better than the current offering. Success for VCS organisations must also be measured on the basis that no extra burden is imposed on them that is not met by extra funding.
- 1.14 We are concerned that if those who need extra help are not identified at the outset, the evaluation of the pilot and data from it will be insufficiently robust to ensure a sound model. If tier 1 fails to identify a taxpayer or tax credits claimant needing support, how will this manifest itself in the period of the pilot? The problem experienced by that taxpayer or claimant may never be dealt with and may never feed through to the evaluation so as to trigger a change to the model. It may later emerge through a compliance investigation, but at a cost: such an outcome would be stressful for taxpayers and claimants, could take many years to resolve and lead to unnecessary expenditure of time and money for both taxpayer and the Exchequer. To prevent this, quality measures must be applied throughout the pilot at tier 1 with an effective call listening and adviser feedback programme.

2 About Us

- 2.1 The Low Incomes Tax Reform Group (LITRG) 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.
- 2.2 LITRG works extensively with HM Revenue & Customs 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.

- 2.3 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.

3 Section 2 - When People Need Extra Help

Q1 Have we missed any particular groups in our definition of customers who need extra help?

- 3.1 Annex B covers the broad spectrum of people LITRG would expect to be given extra support, but HMRC should not assume that they can place people in a life 'bracket' using set criteria and there they will remain. Medical conditions, health matters and life events all have an impact on a person, sometimes temporary, sometimes permanent, and therefore their needs too will fluctuate throughout a 'tax life'. Flexibility, care and understanding must be applied when assessing a taxpayer or tax credit claimant against those needs. The assessment will be carried out when the approach for help is made, but the model should also use past records and case notes to build a complete picture.

3.2 *The Digitally Excluded*

LITRG remain concerned for those who are digitally excluded but who will not necessarily fit the criteria for 'Needs Enhanced Support' as set out in the consultation document. The closure of the Enquiry Centres will be another support mechanism lost for these groups. Attending an Enquiry Centre to make use of the IT equipment and internet to pick up advice or send a form/return has been commonplace for some in order to fulfil their obligations, and closure of other local community venues (eg libraries) will only compound this. If HMRC are to continue with the aggressive timetable for digital by default and mandation with penalties attached, then any replacement Enquiry Centre model must consider providing facilities for those suffering exclusion. Among these should be a commitment to a website review to ensure ease of access to help and support, and to ensure that content is presented in clear and plain language with translations for those who need them.

3.3 *Migrant Workers*

This particular group often face specific challenges. Language barriers and unfamiliar tax legislation often coupled with a complex life (more than one job, seasonal work, periods of unemployment, temporary accommodation) mean that they are much more comfortable attending an Enquiry Centre locally where knowledge of the community is good, or meeting face-to-face with an English-speaking friend or colleague who can assist in translation. It should be recognised that this particular group may find handling their affairs by telephone a real struggle and disengage if this is their only option for contacting HMRC.

3.4 ***New Processes***

New legislation and HMRC initiatives over the coming months may place an extra burden on taxpayers and tax credit claimants which could create a new group of people needing extra support. Real Time Information (RTI), Universal Credit (UC) and HMRC's new telephony are major changes to get to grips with, all of which must be regarded alongside the Needs Enhanced Support model. For example, some people will be looking for (and in need of) help and guidance on a more 'personal level' through the various changes (in effect an account manager), but would not necessarily have been assessed as needing extra support with the old systems as they would have been coping with their affairs quite well up to now. HMRC should be prepared for a rise in numbers of those seeking assistance¹.

4 **Section 3 - How we will improve support for customers who need the most help**

Q2 What do you think are the main benefits or disadvantages of the proposed new approach?

4.1 ***Benefits***

We are encouraged that the mobile service will be sufficiently flexible to enable HMRC to offer a wide range of appointment times and venues. This should ensure that those needing extra support get a better, more convenient service than through the Enquiry Centre Model. The restrictions they experience now with any burdens of travel may be lessened or removed. On paper, we can certainly see the merits of the proposed new approach for people who need enhanced support. However, unless the proposals are operated in practice in the way outlined in the document so that:

- people get through first time;
- HMRC staff recognise the different needs and refer to the specialist support service; and
- people are offered access to the mobile support when needed,

then the new model will not give a better service than the current Enquiry Centre network. It is important that HMRC operate this model entirely on need rather than any regard for financial consequences and controlling numbers.

¹ See for example the Social Security Advisory Committee's May 2013 paper on The implementation of Universal Credit and the support needs of claimants: <http://ssac.independent.gov.uk/pdf/occasional/implementation-uc-claimants.pdf> (sections 2.10 – 2.16 and Recommendation 7)

4.2 ***Disadvantages***

4.2.1 ***Opportunity for Change***

The timetable set out in Chapter 8 raises considerable concerns that the time being allowed is insufficient for the careful consideration which this project requires. We would have preferred to see a pilot of at least 12 months so that evidence could be gathered in respect of all important tax and tax credits deadlines during the course of a tax year. Even the pilot and evaluation period together will not take in the self-assessment filing date at the end of January 2014, and we feel it is absolutely essential that the effect of closing Enquiry Centres and performance of the replacement service should be closely studied around that important deadline.

4.2.2 The deadline for consultation responses being so close to the start of the pilot in early June 2013 means that HMRC are unlikely to be able to make any immediate changes to their planned model. They must therefore be prepared to agree to adjustments as early as possible in the pilot and commit to continual improvement as it progresses using feedback and 'live' findings.

4.2.3 The short evaluation period (two months only to December 2013) is a real challenge for all concerned, so all opportunities must be explored to enable responses to be sought and gathered before any long-term decisions are agreed and put in place. The solution must be one that works for all concerned in this area – customers, VCS organisations, HMRC staff and HMRC processes.

4.2.4 ***Telephony***

There is a risk that there will be a degradation of service if customers cannot initially get through on the telephone to speak with an adviser who will assess their needs. There will no doubt be greater pressure on an already stretched HMRC helpline, which in turn will lengthen calls in waiting to get through initially and there may be further delays whilst staff are handing over internally if the tier 1 staff member needs to escalate the call. HMRC need to maintain and share accurate statistics on the 'whole' customer journey during the pilot.

4.2.5 ***Triaging***

The needs of a taxpayer or tax credit claimant may not always be clear initially so the assessment process requires careful questioning, good listening and a wider perception to build up the whole picture. Performing this over the telephone can be even more of a challenge than when seeing someone face-to-face. The fear is that this task will not, or cannot, be completed effectively on a pressured helpline. A vulnerable person very rarely 'reveals themselves' as such and HMRC must be aware that previously compliant customers may become non-compliant unless the model is clear, accessible, fair and supportive.

4.2.6 ***Referral***

Similar considerations apply when referring claimants to the new mobile support unit. Having such a unit in place, even if it is better than the current Enquiry Centre model, will

not be enough if the procedures for referral do not operate as planned. This is especially true as there appears to be no mention in the document about self-referral; whereas currently a person can request an appointment or decide to go to an Enquiry Centre rather than use the telephone and we believe HMRC should consider the continuation of this as part of the model.

4.2.7 Other Major Changes

4.2.7.1 The timing of this announcement is poor given that it falls alongside major changes to the tax and benefits systems with RTI, UC (involving the majority of tax credits claimants) and HMRC's plans to launch a new voice recognition telephony service. There is much for the general public to get to grips with and taking away a key part of the support mechanism, Enquiry Centres, at this time presents major challenges; particularly given that there has been no time to test and refine the 'needs enhanced support' service prior to the pilot closures. HMRC must therefore undertake that the replacement model will be an improvement and the pilot must take into account these major changes alongside existing business when assessing the needs of all customers, especially when measuring success. In particular, the needs of those at the fringes must be addressed, rather than adopting the stance that the new model works for the majority – it is those in the minorities with which HMRC must be especially concerned.

4.2.7.2 These major changes will inevitably have an impact on HMRC staff that will require thorough and intense training. It is hoped that HMRC have taken this into account when planning to resource a second level helpdesk and mobile service. Staff in these roles must not only have the appropriate level of knowledge to support the needs enhanced support groups but also be fully versed in these new business areas.

4.2.7.3 The volume of people who require enhanced support is sure to expand if the social economics continue as at present. Developments in tax and benefits, cuts in resources, impacts of the recession and changes in the job market with increasing self-employment, part-time and multiple jobs, will all add to life pressures therefore leading to a requirement for greater support and help.

4.2.8 Engagement

Business by telephone can be somewhat 'cold', especially for those needing extra care and support. We will be looking for assurance and evidence that HMRC are able to offer that 'personal' touch using 'soft skills' to enable a rapport with someone who needs enhanced support, and that HMRC will take the time to understand their needs through careful monitoring of calls, regular reviews and a robust checking system. Otherwise there is a real risk of confidence in the new model failing, trust breaking down, engagement being lost and compliance becoming a struggle.

4.2.9 Customer Journey

We understand that the proposed model consists of:

- the individual making an initial call to an HMRC Contact Centre. They will get through to a 'tier 1' member of HMRC staff who will 'assess the needs' and listen to the individual's query. If they deem the individual to be in need of enhanced support, they will refer them
- to a 'tier 2' member of HMRC staff who will gather more from the taxpayer or tax credit claimant and possibly attempt to offer a solution or an immediate referral for a face-to-face appointment. If the tier 2 adviser cannot resolve the query at that point, they will take charge of the case which may then lead to
- a call-back from the adviser once the necessary solutions have been gathered in-house, or from an adviser/senior officer more specialised with the particular query, again to enable resolution ; or simply to arrange an appointment with the mobile team.

This seems like a particularly long journey and of course will impact most on those that have the greatest need; they may be very anxious by the end of this journey. What assurances have we that HMRC will be able to measure this through such a short pilot with a view to fully determining how it impacts on customers and whether their needs are met at the end of it? Indeed some may even get 'lost' in the process.

4.2.10 ***Non NES***

The non NES customers who currently use the Enquiry Centres will need to be informed at an early stage of the impacts of their closure, with clearly guided signposting and translations available covering what the alternatives are. HMRC should be prepared to do some initial 'hand-holding' for these customers to educate them on the process and new model. LITRG is concerned that the impact on these customers will not become clear for some time and there may be a danger of them falling out of the system. For example, they may not reveal themselves until much later when an enquiry is opened or compliance check is done. Measurement of this certainly cannot be done within the pilot timescale but this element should not be lost in the ongoing evaluation of impacts.

4.2.11 ***Impact on VCS***

There will undoubtedly be greater pressure on VCS organisations as taxpayers and claimants for whom the HMRC Enquiry Centres may have been their 'usual' approach turn to them. Some will be NES customers and some not. This will be a challenge for the VCS and their already stretched resources at a time when funding is more difficult and many are being forced to reduce overhead costs. Many of these organisations are staffed or supported by volunteers and the added pressure of extra clients is a real cause for concern. Our view is that this will be especially apparent with their drop-in/face-to-face services which are the most expensive to run. We are encouraged to hear that HMRC will work closely with these organisations in assessing and reviewing the pilot and are keen that the model for the future is developed in conjunction with this sector and with impacts on them considered.

4.2.12 ***Complex Tax Credit Queries***

We foresee a real gap in the market for those customers needing help and support with complex tax credits (and maybe transitional UC) queries as many of the VCS organisations have no or limited facility or knowledge to cover this area of work. HMRC must work to create a good model to fulfil needs in this area as taxpayers and claimants will have no other option. It is extremely important that HMRC's own specialist support staff have adequate training in tax credits and we recommend that thought is given to having some dedicated tax credits staff from Tax Credit Office (TCO) who can be used in the specialist support unit. At the same time HMRC will need to work closely with the Department for Work and Pensions (DWP) on their proposed model under UC and the transition from one department to another to create a seamless shift for tax credit claimants.

4.2.13 ***Failure to authenticate***

Linked to the tax credit issues discussed above is the potential impact of closing Enquiry Centres on those claimants (not necessarily in need of extra support) who fail a security check on the telephone. Currently, they are forced to go to an Enquiry Centre in order to engage with HMRC. A simpler and more accessible process must be explored and tested within the confines of this pilot and its timescales and certainly before any longer term decisions are made. Customers who need help and support yet cannot pass the HMRC security checks by telephone will be in danger of falling out of the system and creating a larger and longer term administrative burden for all concerned.

4.2.14 ***Understanding Needs***

HMRC should work with the VCS organisations and customers themselves to understand their needs, gather requirements and explore all possibilities to help and support this group. The new service must also be easily accessible and workable for all concerned. In addition there must be a commitment to thorough training for all staff and especially those in the supportive roles with continual improvement and quality measures through very careful management. The short timescale of the pilot will make this a real challenge and we therefore seek a commitment from HMRC that no long-term decisions will be made without a clear understanding and recording of impacts with solutions.

Q3 Could any particular groups of customers find it difficult to contact HMRC using the new service?

4.3 ***Signposting the closures***

HMRC need to develop a sound communication strategy for all concerned, including those in the pilot area, those not seen as needing extra help, the wider community, and the VCS organisations so that all affected customers are aware of the closures, what it will mean to them and how to engage with HMRC in the future.

4.4 ***Overstretched telephony***

If the helpdesk at tier 1 is flooded with calls and they are unanswered then the public, particularly the vulnerable, may struggle to know what to do next. Often it has taken great courage to pick up the telephone to HMRC and if the help is not there at that time then the person may not come back and get lost in the system.

4.5 ***New telephony service***

Both at the time of the pilot and beyond, HMRC will have launched at least some of their new telephony equipment around voice recognition. Careful thought therefore needs to be given and research done for those customers who may encounter difficulties communicating via the telephone - for example, people lacking in confidence, those with hearing difficulties and/or speech impairments, some mental health problems and language issues. We recommend a critical gathering and sharing of data around the success of the new telephony service as it is tried and tested at the same time as this pilot. If taxpayers or tax credit claimants who need extra help cannot get through the helpdesk then the whole model has failed and the proposals are flawed.

4.6 ***Care and support employers***

Care and support employers are those who have become employers only because they have taken on a carer. Whilst some will continue to file on paper until at least April 2014, others who are no longer able to use the simplified PAYE scheme, but who are too late to qualify for paper filing, may need extra help to cope with RTI. This should be considered and looked at sympathetically within the model as RTI is an added burden for these customer groups and may prompt them to look for some one-to-one and face-to-face help. Clear signposting for those in this group is essential.

4.7 ***Complex Affairs***

A taxpayer or tax credit claimant with varied and complex affairs that cover many areas may require real specialism to support them. Equally they may have more than one need (eg language difficulty and access problems). HMRC helpdesks at tier 1 are set up in such a way that may be difficult for a full assessment of needs to be made or for customers to have full answers at the first point of contact to their complex queries (eg VAT, PAYE, tax credits and online exclusion). When you add in any extra need or vulnerability then the process is a whole lot more challenging. LITRG are looking for assurance that the process will be as quick and painless as possible to get these types of customers the help they need without a lengthy period of time passing as this is likely only to worsen the situation (penalties might accrue for example). We recommend therefore that HMRC also look again at how the tier 1 advisers are skilled only in specific lines of business, and that over time every effort is made to train advisers in all things to enable a better customer service without being passed around internal teams. For the pilot we would expect that every effort is made to at least have this cross-cutting approach to the tier 2 advisers.

4.8 ***Friends and family***

Some people are only able to manage their affairs with the help of others, including the current HMRC Enquiry Centre staff. These people have already experienced a reduction in support through the gradual programme of restrictions to Enquiry Centre services and this will be exacerbated with the closures. Greater flexibility using friends and family as representatives must be considered and a simple model should be developed to enable this. The process that HMRC have in place regarding security and authorisation should be re-visited to ensure easy access for those supporting others without the need of a cumbersome process and form filling. We understand that some work in this area is already in progress, and believe it is essential that HMRC continue to consult closely as it develops. There is a danger that people in this group may become non-compliant as they struggle to find simple and accessible help, or be forced to pay for a professional service that they can ill afford potentially leading to debt problems.

4.9 ***Non NES***

The pilot and model is very much for those customers who need enhanced support and they will be assessed as such before they are 'allowed in'. There are customers and professionals who use Enquiry Centres now to deliver highly sensitive original documents that HMRC are requesting sight of to support claims, appeals and complex casework. How do HMRC propose to handle this type of 'caller'? They will continue to need assurances that the document gets to the correct person in a timely fashion (deadlines may be imminent or penalties accruing for instance) and is returned the same way. There is a general reluctance to commit such documents to the post, things can go astray within HMRC's own post handling function, yet these documents are often the only copy held and replacements can carry heavy costs. Therefore careful thought must go into developing a replacement service to aid this function and consideration for easy access especially in remote and rural places.

Q4 How do you suggest we can overcome any difficulties?

4.10 ***Tax Credits***

We have mentioned above some of the changes to the tax and tax credits system that will affect the development of this model in terms of staff training and the number of enquiries. It is crucial that this model is developed in full discussion with the parts of HMRC which are leading on each of those changes in order to assess the impact fully. For example, the introduction of UC means that most tax credits claimants will have their claims stopped and moved across. This process will be complicated. Enquiry Centres are already used by tax credits claimants in large numbers, many of whom are vulnerable and require additional support. The transition to UC will put additional requirements on whatever model is in place and therefore close internal working is crucial to manage this.

4.11 ***New Business***

Each time a new piece of legislation, policy or process is delivered it has the potential to affect those customers who need enhanced support and help, or to create a new class of

customers who previously did not need enhanced support but now do. Therefore a robust training programme is essential for staff manning the tier 2 and mobile unit, but more than that there should be early engagement of any project before any changes to processes are launched to assess the impact of the potential change and allow adjustments.

4.12 ***Increased call handling***

There also needs to be a commitment to the highest level of call handling at tier 1 in order to offer a successful customer service if other avenues are to be closed down. We have no doubt that there will be a greater number of calls going into tier 1 as a result of Enquiry Centre closures and in order for the model to work well for those customers who are in need of extra help then it must work at the first level.

4.13 ***Training and development***

There must be a commitment to continual training within HMRC to better understand those who need enhanced support and how their needs can be met. Early identification of these customers is vital and continual development in this area should be HMRC's goal. There is a real danger that the model will fail if staff at tier 1 and tier 2 are not adequately trained or try to act as gatekeepers of the extra services.

4.14 ***Working together***

There are many forums within HMRC that are already engaged and working with representatives of the customer groups who need extra support. We recommend that all these are brought together under one umbrella or at least with an agreed governance as this would enable past and future research, feedback and understanding individual needs to be shared and expertise given to create a sound model for the future. The recently launched Alternative Dispute Resolution service in HMRC should be reviewed alongside this new NES model as the two services may well be required alongside each other to resolve a taxpayer or claimant issue.

4.15 ***Joined up approach***

There needs to be a more joined up approach within HMRC as a whole between the tax, national insurance and debt management units with a view towards whole case-working at a single point of contact. There is much confusion from all customers on which part of HMRC to inform of a change, whether information given will be shared and in general just who to talk to. This will be even more apparent with the UC and the DWP aspect. Any improvement in this area will in turn ease the load on a taxpayer or tax credit claimant who needs extra help and support where there are many strands to a query, and make for a smoother engagement with HMRC.

Q5 How else could we improve the proposed new service?**4.16 *Mobile visits***

We recommend that those who need extra support be informed of the choices of venues for a mobile visit in good time. This will allow them to make a decision about the best option for a visit rather than being put on the spot to make a quick decision over the telephone.

4.17 *Offering choice*

HMRC should reconsider whether they can offer a choice to customers – especially around moving over to digital. From research¹ it is clear that even those that do have access to the internet would sometimes prefer a face-to-face meeting to resolve issues with government departments - HMRC should acknowledge this and be prepared to address it.

4.18 *Continual improvement*

There should be a drive for continual improvement within HMRC to make products and processes clearer and to make the whole tax system simpler (to the extent that this is within their ability as administrators of the system). This in turn would make it easier to fulfil tax obligations, reduce demand for help and guidance and make for better compliance. Advisers would as a consequence be freed up to help those who need it most.

4.19 *Community sharing groups*

HMRC could consider greater use of community workshops and seminars in which a specialist presents on a particular subject (such as a new system or piece of legislation) to an audience of taxpayers or claimants in a training session with handouts and relevant web content to refer to. Closer working would bring greater compliance and, in turn, revenue. This would be of particular benefit to Care and Support Employers starting out or moving over to RTI for example. Live chat via the internet is another option that HMRC could explore as a means of offering guidance and education or records of exchange.

4.20 *Business by e-mail*

A model where taxpayers or claimants can engage more fully via e-mail rather than telephone would be most welcome for some and especially those with hearing and speech difficulties. HMRC should make it their aim to explore fully the possibility of the use of e-mail for the public to ask a question, obtain guidance and generally handle their tax affairs.

¹ National Audit Office – ‘Digital Britain 2: Putting users at the heart of government’s digital services’ (March 2013).

4.21 Q6 What else could we do to improve:*a) our new extra support telephone adviser telephone service?*

All advisers must be fully trained in all aspects of tax and tax credits so there is limited need to pass the caller from one line or adviser to another which can add stress and delay. Careful thought needs to be given to how tax credit calls are dealt with by specialist support. It is difficult to see how the same staff can be expert on both tax and tax credits issues.

Whilst we welcome the arrival of the 0300 numbers HMRC should still explore the possibility of offering freephone numbers and call-backs, especially for mobile pay-as-you-go users.

A process for those who fail an initial security check should be developed in conjunction with specialist authorisation companies so that people are still able to engage fully through telephony and not require a mobile visit. There are many organisations who offer authentications by means of e-mail verification, text to mobiles and other applications which could be explored. This will reduce the burden on tier 2 advisers and mobile units and the taxpayer or tax credit claimant too.

Very careful measures must be in place over the heavy peaks experienced at tier 1 (January Self Assessment peak, July Tax Credit Renewal peak) to assess the impact and ensure those seeking enhanced support are not excluded by busy queues or engaged lines. Data gathered around these times should be reviewed and VCS given the opportunity to consult and share their experiences too.

b) direction of certain customers to the voluntary sector and vice versa?

We strongly recommend early identification of those who need enhanced support at tier 1 so that the taxpayer or tax credit claimant does not have a long and laborious hand-over within the teams before then being advised to make contact with a voluntary sector organisation. There should be a commitment by HMRC to a continual improvement throughout the pilot to update and refine the training.

c) The flexibility of our approach to providing support for those customers who need it?

HMRC must understand that the needs of a taxpayer or tax credit claimant (even when placed in a certain bracket of needing extra support) are all unique and therefore flexibility on appointment times and lengths of appointments must be borne in mind. There should be no rigid process that makes the handling of the customer query fall down as the danger is that they will retract from engaging and may become non-compliant.

Some customers, and especially those in need of extra support, prefer a regular and personal adviser assigned to them and to their enquiry (an account manager) as this helps to develop a good working relationship, promotes engagement with the

department and builds trust, which is often key to a successful outcome. HMRC should strive to offer this model for those customers who need extra help and request it.

In rolling out the tier 2 support nationwide through a telephony model, HMRC should consider the likelihood that local knowledge previously accessible via Enquiry Centres and pertinent to that taxpayer or tax credit claimant and their needs and the community needs as a whole will be lost. Assessing this risk throughout the pilot is essential and the impact should be understood before any longer-term decisions are made.

We would be keen to know how much scope and facility there is within the mobile teams for foreign/specialist language in planned visits. This is especially important for those who experience hearing difficulty, language barriers and general communication issues.

Advisers attending a mobile appointment should be fully versed in the taxpayer or tax credit claimant's query and have all the necessary information to hand. Access to the person's record by means of a laptop and remote connection will be necessary to call-up current information and assess the whole picture for anyone with multiple strands to their issue. Every effort should be made to resolve the query in that first visit and not to lengthen the process with follow up calls or visits which may create extra worry for the taxpayer/claimant.

Q7 Are there any other factors we need to take into account when trying to identify people who need extra help?

4.22 *Flexibility and time*

HMRC should be aware that the taxpayer or tax credit claimant will not always be willing to be labelled or declare their needs openly so careful questioning and listening will be paramount when engaging in conversation. This may require extra time to build up a picture not only of their needs but the advice they are seeking and tax issues pending. Therefore a degree of flexibility should be given to advisers on the time allowed to support the customer in order to offer and deliver a successful service. HMRC should acknowledge that each call is unique and therefore the expected time spend will be different.

4.23 *Publicity*

There should be a marketing and publicity strategy with clear and accurate guidance around this announcement and the closures and this should be readily available through most of the media in order to reach as much of the public as possible. The message should advise how all customers should now approach and interact with HMRC but also spell out the process for those needing extra help.

4.24 *Digital Exclusion*

People who are digitally excluded should receive help and support either via the proposed NES mechanism or another means as the Digital by Default Strategy advances so that they

are not left behind in form filling and return sending because of their inability to interact digitally.

4.25 ***Changes in circumstances***

Life events can create a temporary need for extra support and HMRC should factor this into any planning in resources as the 'numbers' in this bracket may fluctuate enormously. Changes in legislation, new government policies and alterations to internal processes can also create additional strain, so HMRC must be open to these outside forces and offer the extra support, sympathetically taking all these factors into consideration.

4.26 ***Changes to health***

Fluctuations in a customer's medical condition may mean that it can be harder for an individual to engage at certain times. Allowances should therefore be made when handling a case of this kind and especially where deadlines are imminent (such as penalty accrual and chasing debt) as some concession may be appropriate to lessen the burden.

5 **Section 6 - What will the impact of the new service be?**

Q8 Is there anything more we need to do to make sure that customers who currently use our Enquiry Centres, but don't need extra help to resolve their query, can access our services?

5.1 ***Publicity and posters***

The consultation paper (para 6.14) mentions that non English posters and information leaflets will be produced as part of the Enquiry Centre closure programme. We would like to know where it is proposed these will be displayed and distributed in order to reach the wider members of the public who need to know about the changes.

5.2 ***Handing in documents***

There are customers and professionals who use Enquiry Centres to deliver highly sensitive original documents that HMRC are requesting sight of to support claims, appeals and complex casework. As mentioned earlier we seek assurance that a robust service to enable this will be developed.

5.3 ***Use of IT equipment***

Those who are digitally excluded need consideration as many will have used the Enquiry Centre to manage their tax affairs. An alternative service for them should be put in place during the pilot, and success measured by its effectiveness. Notwithstanding the Government's 'Digital by Default' strategy, HMRC must make sure that those unable to engage digitally are not left without support. Indeed there may be an appetite from these customers to move over to digital in the future but only with the appropriate and full

support. Otherwise, there is a risk that the digitally excluded may become unintentionally non-compliant through mandation of digital means of interacting with HMRC, and withdrawal of non-digital methods of support.

5.4 ***Website reviews***

There should be a commitment by HMRC to offer more guidance on the website in foreign/special languages (currently only Welsh translation is offered and only on a limited number of pages). The government drive to self-service and digital by default will make it more difficult for some customers to engage and there is therefore a risk that they will fall out of the system or become non-compliant.

5.5 ***Authentication***

As we have previously recommended, a simpler and more accessible authentication and security checking process must be explored and tested within the confines of this pilot and its timescales, and certainly before any longer term decisions are made.

Q9 Are there any impacts on particular groups of customers (such as disabled people; people of different ethnic groups, age, gender, marital status, sexual orientation, religion; or people with or without dependents) that we have not identified and that need to be addressed?

5.6 Already dealt with in this response but worthy of reinforcing are:

- those who struggle to handle their affairs by telephone and especially in light of the new telephony systems. Customers with speech and hearing difficulties may find these changes an extra burden and may look for a face-to-face opportunity to engage;
- people who are only able to manage their affairs with the help of others and therefore require greater flexibility using friends and family as representatives with a simple model. That said this must not be seen as an easy way out for HMRC and we must not start to see people being pushed into getting help and support from family and friends to cover a gap in the HMRC process – all taxpayers and tax credit claimants are entitled to direct departmental help; and
- those customers needing help and support with very complex Tax Credit (and maybe UC) queries with which the VCS cannot assist them. HMRC must work to create a good model in this specific area and at the same time work with the DWP for a future model in UC.

Q10 How do you suggest we can overcome these?

5.7 ***Difficulty handling affairs by telephone*** – HMRC should look to gather feedback from the customer groups and their representative organisations to understand the barriers and concerns and then overcome them by offering alternative methods or a new model. It may

require extra investment in technology that can work better for the taxpayer or tax credit claimant.

- 5.8 ***Friends and family support*** – HMRC should look more favourably and create a simpler process for those who support customers with extra needs. It needs to be easily accessible whilst retaining the security assurances that all other customers have.
- 5.9 ***Complex Tax Credit queries/cases*** – HMRC should acknowledge that the tax credits system can be complex to understand for some customers and especially those with a fluctuating lifestyle. Tax credit affairs can very easily get out of hand and become a real burden for some. There is a true gap in support out in the community for these cases and customers suffering them and HMRC should conduct a study in order to understand the complexities and explore options to bridge that gap. UC is looming but it will be a while before all tax credit customers move across and indeed cases that have been going on for some years will still be around for sometime – HMRC must commit resource to this so customers are not left wanting with the closure of the local Enquiry Centre.

Q11 Are there any other groups of customers that we have not included in our considerations? If so please specify who they are and let us know what we need to take into account in respect of these groups?

- 5.10 We have no further comments in answer to this question which have not already been covered above.

Section 10 - How we will evaluate the outcome of the consultation

Q12 What other methods of communicating the consultation responses should we be considering?

- 5.11 We have no comments to make in respect of this question.

LITRG

24 May 2013