The Master Customer Journey for New Trustees

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In April ATT representatives attended a workshop as part of HMRC's Master Customer Journey work, looking at the experience of an individual who has become a trustee for the first time.

In April ATT representatives attended one of the early workshops in HMRC's latest Master Customer Journey (MCJ) project – the experience of a first time trustee.

The purpose of a MCJ project is to look at a specific life event from the taxpayer's point of view. Previous life events studied in this way have included starting to receive a pension and starting a job for the first time.

The process involves establishing what the typical interaction with HMRC following such an event might look like, followed by identifying at each step in the process any problems or issues that the taxpayer could encounter. By looking at interactions from the taxpayer's point of view, and understanding how they are thinking or feeling at each stage of the process, HMRC hope to find ways of improving the experience for taxpayers.

Previous MCJ projects have established what HMRC call the four deep truths about taxpayers' interactions with HMRC. These are:

1. Most taxpayers want to meet their obligations.
2. Taxpayers fear the consequences of getting it wrong.
3. Taxpayers are not always keen to engage with HMRC, and may seek to keep engagement to a minimum.
4. Taxpayers want a two-way relationship with HMRC, with advice specific to their needs.

The new trustee journey is the eighth of these projects. Early research by HMRC has identified issues with delays in responding to taxpayers, issues with manual processes and taxpayers' lack of understanding of technical language.

During the workshop, which took place in HMRC's recently opened Customer Lab in Canary Wharf, we were asked to help design a scenario in which a trust was created and an individual found themselves appointed as a trustee.

Clearly there are a number of ways in which an individual could find themselves appointed as a trustee. We considered the situation of a family member being appointed as trustee of a will trust as being a typical example and one which is not necessarily linked purely to IHT planning. In the example, the trust created gave a life interest to the surviving spouse with the capital ultimately left to the children of the surviving spouse and previous relationships.

Having created the scenario, each step of the process was documented, from the trust receiving assets from the executors, to trust registration and the trust's first tax return. By the end of the day all the steps to complete the journey, including all the potential problems en route, covered the entire length of a very large white board.

The vast majority of trusts appoint agents to handle their affairs, so the journey soon branched into how the interaction would look if the trustee opted to appoint an agent. This allowed us to highlight areas where the current system causes issues for agents as well as taxpayers. Concerns raised included the lack of functionality of the current Trust Registration Service, whether the timing of registration is appropriate, why delays in issuing UTRs create issues, the challenges of completing R185s and problems with paper R40 processes.

While the workshops do involve a significant time commitment from volunteers, there is genuine commitment from HMRC staff involved to see things from the other side of the fence. It is possible to get a large number of issues raised during the day, and articulate how certain aspects of the system cause problems for taxpayers and their agents.

If you would be interested in taking part in future workshops, or have feedback relating to the experiences of new trustees, please let us know.