President's page, July 2015

Welcomes

01 July 2015

We’re all in this together

Ask yourself the following question: if a request dropped into your email inbox asking you to rate your experience with HMRC, how would you score them out of 10? Would you be a ‘promoter’ scoring them 9 or 10? Would you be neutral by awarding them 7 or 8 or would you be a ‘detractor’ by giving a score of 6 or below?

This type of measurement where a promoter counts as 1, neutral counts as 0 and detractor gives a minus 1 is the metric that many businesses use to measure customer satisfaction and brand value, known as ‘net promoter score’ (NPS). The whole premise of it is based on a question that asks you to rate how likely you would be to recommend a business or brand to someone else. As you will probably guess from the fact that 60% of the scores give a minus value, the likelihood of having a high positive score is stacked against you.

That said, it is possible, and big brands out there like Apple do score very highly. I am proud of the fact that, when the CIOT asked its members the extent to which they would recommend membership of the CIOT to others specialising in the field of UK taxation, we scored an eye-watering +61.

The challenge that HMRC faces in posing any question relating to their NPS is the fact that no one would recommend to anyone else an organisation that carries out its legal obligation to take money off you! The saying about turkeys and Christmas springs to mind here. However, that should not necessarily mean that some sort of NPS metric would not be possible.

Building on the points I made on my President’s page last month, HMRC, tax advisers and taxpayers are embarking on a new digital journey together. The development of the new online service continues with new functionality added

regularly. The key to success will be in the user-testing before each release. This success or otherwise can be measured by asking users how likely they would be to recommend using the system to another taxpayer. The most likely way that HMRC will realise the government's intention to have most of the taxpaying population using the new service by 2020 would be for taxpayers and their agents to recommend it to each other early in its development. Given that there may not be any other way for taxpayers to engage with HMRC without using this new platform, building a whirlwind of support for, and adoption of it as soon as possible, will be crucial to win over public opinion.

The measurement of the NPS over time will show where new enhancements have either improved or reduced the customer experience which will guide this evolution to the digital nirvana so desired. I really do believe that HMRC has the capability, over time, to deliver something truly world class and it would be in all of our interests to engage and support them in any way we can. We all have skin in this game.

Although this new digital age is exciting for some, it is equally terrifying for others. There is now, and in my view always will be, a large swathe of taxpayers who will never go near a computer. But they should not be disadvantaged by the progress in technology as witnessed by the online-only nature of claiming the personal allowance transfer between a married couple and civil partners. When I say we are all in this together,

I do mean all.

Leading the debate on tax policy

In the first week of June, I chaired the latest of our joint events with the Institute for Fiscal Studies. The aim of these events is to promote debate among those who practise in tax, those who make tax policy and those who analyse and comment on it in order to share ideas, inform policy development and contribute to improvements. We've been fortunate in getting senior HMRC and Treasury people along to these events as well as leading thinkers and practitioners. It perhaps helps that the Royal Society of Arts – just off the Strand, between London's political and legal quarters – is such an elegant and well located venue.

Previous events have looked at narrow yet important topics such as BEPS and HMRC’s powers. For the first event after the general election we had a more general discussion on which tax policies the panel would like the new government to prioritise. The suggestions were pleasingly wide-ranging, but clear themes were visible: the need for significant simplification and for tax rates and reliefs to be underpinned by a coherent, logical strategy that government sticks to.

You can read a short summary of the debate on page 9 in this issue’s Briefings section and a longer one on the CIOT website. We’re already thinking about what to discuss at our next event in the autumn – watch this space.

I am looking forward to writing my page for August already, it is the highlight of my month. Until then, friends and colleagues…