It's good to talk

Management of taxes | General Features



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Stephen Relf and Alison Ward explain two new communications initiatives being used by HMRC

Key Points

What is the issue?

HMRC are looking to improve communications with taxpayers and agents through their Once and Done and Phone First initiatives

What does it mean for me?

It should be possible to do more over the phone, reducing the need for written correspondence

What can I take away?

The opportunity to engage with HMRC over the phone and to suggest ideas where the Once and Done approach can make a difference

It is easy to think that HMRC are only interested in digital methods of communication these days. With new digital processes and systems coming online all the time, and more on the way, it won't be long before we are all more comfortable with web chat than we are with talking to someone face to face. Yet HMRC have recently begun to champion a more traditional means of communication: the phone call. At a recent visit to HMRC's Manchester offices we were given an overview of two new HMRC initiatives: Once and Done and Phone First, both of which recognise that staff can provide a better service when they pick up the phone and talk to taxpayers and agents.

Once and Done

The aim of Once and Done is simple: to enable and encourage HMRC's call handlers to resolve issues at the first point of contact with the taxpayer or agent.

When a taxpayer phones HMRC with a query, or to provide or to request information, the default position will be that the call handler is expected to resolve the issue there and then. The advantages are clear: for the taxpayer, there is palpably better customer service with less time to wait before important information is provided or actioned; for HMRC, staff are motivated and print and postage costs are reduced.

Once and Done started in May 2013 and began trialling ideas in August 2013. Since then, it has generated more than 600 ideas, of which more than 100 have been implemented. With the Once and Done team committed to rolling out at least 12 ideas every eight weeks there is more to come. Given that Once and Done is expected to impact in excess of one million calls a year based on the ideas rolled out to date, the likelihood is that almost all of us will come into contact with the initiative soon. For a summary of some of the more high-profile changes made under Once and Done so far, see ***Table 1***.

Table 1 – Once and Done changes

Pay and tax details

Issue: The taxpayer needs pay and tax details (including PAYE reference number) for his or her self-assessment tax return, for a tax credits renewal or for a mortgage application.

Previously: The taxpayer or their appointed agent would request the details over the phone and HMRC would advise that the details could only be provided in writing. This delayed the completion of the return and any other documents. It was a cause of frustration for the taxpayer, the agent and the HMRC call handler who wanted to help, and had the information at hand, but was prevented from doing so by the guidance in place.

Now: The HMRC call handler can provide the information over the phone, improving the taxpayer's or the agent's experience of dealing with HMRC and getting the information to the taxpayer/agent when they need it.

Note: This change is expected to impact 120,000 calls a year and, in live testing, it generated more calls than any other idea. It took HMRC eight to ten weeks to take this from the idea stage to full roll-out.

Self-assessment penalty objections

Issue: The taxpayer/agent calls to object about the imposition of a penalty for the late submission of a self-assessment tax return. If it is clear that the objection is reasonable the call handler will be able to cancel the penalty.

Previously: The taxpayer/agent was asked to appeal against the penalty in writing. This lengthened the process, causing additional stress for the taxpayer.

Now: If the taxpayer/agent objects to the penalty, the call handler believes the objection to be reasonable and the case falls within tightly drafted guidelines, the call handler can remove the penalty while on the telephone. The use of revised guidelines (including a decision tree) is intended to ensure consistency of approach by all call handlers and the taxpayer retains the right of a formal appeal. The call handler can also take the taxpayer out of self-assessment at the same time, whereas previously this had to be referred to another team to action.

Note: The Once and Done team is looking to enhance this service and to extend it to other penalties.

HMRC tell us that, so far, the feedback has been good: on customer service, HMRC report a satisfaction rate of 96% based on 3,000 call-backs. Employee morale is believed to have improved too as HMRC staff are encouraged to challenge the guidance that is currently in place. They might have first-hand experience of the problem that is causing the frustration, and could make improvements by simply changing the guidance. Currently, 96% of the ideas generated by the Once and Done team come from call handlers; and it was obvious from our visit that staff have come ‘on board’ with this new initiative because they can see that their input is valued and will be acted on where it is possible to do so. Even if their ideas don’t make the final ‘cut’, feedback is given along the way so that they are not

discouraged from continuing to make suggestions.

Readers may be concerned that some of the ideas will cause more harm than good, perhaps because they are rolled out too quickly, or if they require staff to deal with queries beyond their technical capabilities. In answer to these concerns, HMRC point to the rigorous processes they have put in place. All ideas are initially risk-assessed by a team of 28 stakeholders across HMRC before they are even taken to the testing stage. The ideas that are taken forward are tested ‘to destruction’ in the Manchester centre before HMRC are satisfied they can be rolled out nationally. Helpcards are created for call handlers to assist them in putting the ideas into practice. All calls are logged to determine whether the helpcards are working and to identify where there may be training requirements.

Phone First

As its name suggests, Phone First is all about encouraging HMRC staff to pick up the phone rather than put pen to paper. At present, most HMRC staff who receive an incomplete form from a taxpayer or agent, or who need more information, will write to them for clarification and in many cases will receive a written response. This comes at a cost for HMRC and the taxpayer and builds delays into what can be relatively simple processes. Under Phone First, the HMRC staff member will be encouraged to collect the information and complete the process in one phone call.

The challenge here will be in changing the culture within HMRC. Whereas the HMRC staff in Once and Done will be comfortable with using the phone, their back office colleagues, who are more familiar with receiving and sending post, may not. And who could blame them when HMRC policy so far has been to favour post? The Phone First team report that only 10% of internal HMRC guidance where HMRC need to contact the customer has picking up the phone as an option. Worse, when a brave HMRC staff member does pick up the phone they are required to ask no fewer than five security questions of the bemused taxpayer.

That said, this looks to be a battle worth winning judging by the potential cost savings: of the one million items of post received in HMRC’s Manchester offices alone each year, the Phone First team estimate that, where a reply is needed, 80% of those contain information that could have been given or taken over the phone. In addition, the Phone First team expects an improvement in quality as mistakes can occur in written correspondence. Moreover, it seems popular with taxpayers: initial

research by the Phone First team suggests that 94% of taxpayers prefer to be contacted by phone (with most of the remainder having no preference at all).

But what of the risks? There are several concerns here, from the risk of agents being bypassed to issues of taxpayer confidentiality. On the agents question, we have been assured that the HMRC staff member will check that the taxpayer is represented before making the call and, where that taxpayer has an agent who initiated the correspondence, HMRC will call them instead. On taxpayer confidentiality, a smaller number of security questions will be asked. HMRC expect to roll this initiative out nationally early this year.

Concluding comments

In the medium term, it may be that many of the problems identified as part of these two projects will be solved by HMRC's new digital services. However, HMRC are to be commended for trying to find solutions and adopting a more flexible and open approach that may do much to relieve some of the frustrations. We really hope to see both initiatives go from strength to strength and will keep readers updated.

Although the Once and Done team has a long list of potential ideas to work through, it's interested in hearing from agents and, at the suggestion of the professional bodies, will look at issues raised through Working Together. If you have an idea you would like to put forward contact the authors and we will forward it to HMRC.