Technical Newsdesk: September 2023

Welcomes



22 August 2023

It has been a while since I have talked about HMRC's service levels. This is not because we have forgotten about them, or given up. They remain 'front and central' in our engagement with HMRC. You may be aware that our President Gary Ashford and Immediate Past President Susan Ball discussed the issue with HMRC's Chief Executive and Deputy Chief Executive last month and have a follow up meeting scheduled for October.

Many of you have completed our recent survey on HMRC's service levels. We received over 750 responses, and thank you to those who took the time to respond. We have shared the results of the survey, and are discussing them, with HMRC. There are no surprises regarding the general themes: the ability to get through to HMRC, the level of tax technical skills within HMRC, response times, etc. However, there are several results that we hope will provide useful feedback for HMRC.

Webchat: We are becoming familiar with the increasing ‘channel shift’ by HMRC, moving people away from phones and onto digital interaction, such as self-service on GOV.UK, or webchat. In our survey, when compared to the agent dedicated line or to HMRC’s general phone lines, webchat achieved the lowest satisfaction rates. Nearly half of respondents said that when using webchat they got through to HMRC less than 25% of the time; nearly a third typically had to wait over 45 minutes to do so; and two-thirds rated the service as ‘poor’ or ‘extremely poor’. The actual resolution rate was also low, with nearly half of respondents saying that it resolved their issue less than 25% of the time. If webchat is to replace telephone contact, it needs to be quicker and more effective.

Digital functionality: When asked about their reasons for contacting HMRC by phone or webchat, nearly 90% of respondents said these could not be resolved using HMRC’s online services or third-party software. However, 80% said they would use HMRC’s online services or third-party software to deal with the issue if they could. So there is an appetite for digitalisation. Indeed, with the exception of the new VAT registration service, satisfaction with HMRC’s online services was typically ‘good’ or ‘adequate’.

Wider impact of HMRC service levels: The majority thought that good HMRC service levels have a significant positive impact on the ability to do business, the costs of doing business, attitudes to tax compliance and trust in the tax system, to highlight just a few. Conversely, a greater majority thought that poor HMRC service levels have a significant negative impact in those areas.

And, finally, to Making Tax Digital (MTD), and the repeated messaging from HMRC that it will free up time to help businesses grow. We report on our MTD survey below, which largely contradict this claim. Our service levels survey results suggest that growth would be better delivered through a more effective and responsive tax authority. I think an unfortunate consequence of the time we rightly spend on both service levels and MTD is that it can distract from the breadth of engagement we have with HMRC and policymakers.

Reviewing this month’s Technical Newsdesk reminded me of wide range of work that the technical teams undertake – sometimes considered ‘niche’, but no less important if you operate in that field. It is welcome that we have the ear of the most senior people in HMRC on the impact of their poor service levels, but it is important that we do not lose sight of the role we play across the board as the leading voice in tax.