



TAXREP 29/10

REVISION OF TELEPHONE CONTACT CENTRE OPENING HOURS

Comments submitted in June 2010 by the ICAEW in response to the HM Revenue and Customs Equality Impact Assessment consultation paper published in March 2010

Contents	Paragraph
Introduction	1
Who we are	2 - 5
Background to the consultation	6 - 6
Key points	10 - 17
Specific comments:	
- Research undertaken	18 - 20
- Opening times	21 - 31
- Communication of changes	32 - 39
- Better use of IVR technology	40 - 42
- Costs of contacting HMRC	43 - 47
- Assessment of impact of changes	48 - 50
Ten tenets for a better tax system	Appendix

INTRODUCTION

1. The ICAEW welcomes the opportunity to comment on the Equality Impact Assessment consultation paper *What will be the impact of HMRC's proposal to revise its Contact Centre opening hours?* published by HM Revenue and Customs in March 2010 at <http://www.hmrc.gov.uk/consultations/contact-centre-open.pdf>.

WHO WE ARE

2. The ICAEW operates under a Royal Charter, working in the public interest. Its regulation of its members, in particular its responsibilities in respect of auditors, is overseen by the Financial Reporting Council. As a world leading professional accountancy body, we provide leadership and practical support to over 134,000 members in more than 160 countries, working with governments, regulators and industry in order to ensure the highest standards are maintained. We are a founding member of the Global Accounting Alliance with over 775,000 members worldwide.
3. Our members provide financial knowledge and guidance based on the highest technical and ethical standards. They are trained to challenge people and organisations to think and act differently, to provide clarity and rigour, and so help create and sustain prosperity. We ensure these skills are constantly developed, recognised and valued.
4. The Tax Faculty is the focus for tax within the Institute. It is responsible for technical tax submissions on behalf of the Institute as a whole and it also provides various tax services including the monthly newsletter *TAXline* to more than 11,000 members of the Institute who pay an additional subscription, and a free weekly newswire. We have also set out, in the Appendix, the Tax Faculty's ten tenets for a better tax system, by which we benchmark proposals to change the tax system.
5. We obtain feedback from our members by email, telephone and letter and face to face at roadshows, conferences and other events. We also undertake an annual survey of members about HMRC service standards.

BACKGROUND TO THE CONSULTATION

6. The proposals and reasons for them are explained in the Equality Impact Assessment (EIA). HMRC has not indicated when the changes are likely to take place. As is well known, HMRC is under increasing pressure to reduce costs while at the same time needing to provide an improved telephone service to its users.
7. At present a large number of calls go unanswered at busy times and at other times demand is apparently low. HMRC's staffing costs are higher outside normal office hours. HMRC is therefore proposing to alter telephone contact centre (CC) opening hours to better match its resources to caller demand. It is expected that by achieving a better match of staffing and demand a higher proportion of callers will get through to an adviser when they call.
8. The proposals include:
 - closing CCs at 4pm on Saturdays and all day Sundays;
 - closing on Bank Holidays at 4pm;
 - reducing mid-week opening hours on lesser-used lines;
 - closing lines and making improved use of automated messages when IT services are unavailable;
 - adjusting Christmas and New Year opening according to expected demand; and
 - having longer opening hours in periods of peak demand, for example at tax credits renewals time.

9. HMRC has been consulting with various representative bodies but we were not involved in those consultations.

KEY POINTS

10. We note that, as HMRC says at paragraph 1.2 of the EIA, the CC opening hours 'have evolved over time rather than being designed to meet customer demand profiles'. We agree it makes sense to review the CC opening hours to ensure the service meets the requirements of HMRC's 'customers' in the most cost-effective way for both HMRC and customers.
11. From the point of view of our members, we welcome any change which means that more calls will be answered during normal office hours and more quickly. Most, but not all, practitioners will be trying to contact HMRC during normal office hours. For them, time wasted is a cost which they might not be able to pass on to their client. Or if they can pass it on, it adds to clients' tax compliance costs.
12. However, we are not convinced by the decision to limit the availability of the CC service out of normal business hours. This service is important to many taxpayers, and also to our members (for example, at the self assessment filing peak).
13. We think that HMRC should have taken the opportunity to make a wider study of the demand from different customer groups for each of the CC services and how this might be catered for, rather than simply reviewing existing call patterns and deciding to reduce hours.
14. We also believe that certain CCs, such as self assessment, debt management, online services help, order line and tax credits should remain open at least for some time on Sundays. This would allow those who find it difficult to call at any other times to make contact.
15. Even if Sunday opening of CCs is to stop, it is our view that relevant CCs should be open on Sundays at busy times of the year, for example during tax credits renewals and approaching the self assessment paper and online filing deadlines. This will allow those who have been unable to get through at other times to speak to someone.
16. We welcome the proposals to make appropriate and better use of recorded announcements (IVR) so that callers do not waste time unnecessarily.
17. HMRC needs to keep its Your Charter obligations in mind when making any changes, particularly the taxpayer's rights to support and to have costs kept low.

SPECIFIC COMMENTS

Research undertaken

18. Paragraph 2.1 of the EIA states that 'the proposal to change the opening hours of HMRC CCs reflects a great deal of research into customer demand patterns and HMRC is confident that it provides a good basis for detailed planning'. However we are concerned that the changes proposed are based on flawed research and may not reflect the level of demand which might exist for telephone assistance out of normal business hours.
19. HMRC has provided few details of how it conducted its research and seems to have based its decision to reduce CC opening hours only on current caller patterns. As far as we can see no work has been done to assess what would be the most appropriate opening times for each of the CCs for their main users.

- 20.** Feedback from our members, and indeed the results of HMRC research, indicate that many people are unaware that many of the CCs are (currently) open outside normal business hours and at weekends. This lack of publicity, rather than the lack of demand for the service, may have been the main reason that the lines were less well used outside normal working hours. People who may have preferred to call outside normal business hours may have been calling during business hours and contributing unnecessarily to high call volumes at those times.

Opening times

- 21.** Waiting a long time for a telephone call to be answered is a frequent and increasing source of complaint from our members. In addition, members regularly report that their calls to CCs go unanswered or are cut off. Any action which HMRC takes that will improve the likelihood of having a call not only answered but done so promptly is to be welcomed.
- 22.** The consultation states that opening hours of CCs should be reduced. Before changing the opening hours of CCs we believe HMRC should do more work to assess what would be the most appropriate opening times for each of its CCs taking into account the main users of that CC.
- 23.** For example, members report that the performance of the VAT CC is particularly poor at present and it is the source of increasing numbers of complaints from members. We note that it is proposed that this CC will in future close at 5pm rather than at 8pm on weekdays. Has any research been done to assess whether the reduction in length of opening hours to office hours only coupled with increased capacity during those reduced hours will improve the situation?
- 24.** Even if the change means that more calls will be answered during normal business hours, which will help some people, we believe that the reduction in opening hours of the VAT CC will adversely affect those who are running their own businesses. Depending on the nature of their business, they may only be able to deal with paperwork after normal working hours and can only easily call the CC at that time, in the early evening or weekends. We would therefore like to see the CC remain open beyond 5pm and be extended to weekend opening.
- 25.** We also note that opening hours on Saturdays for some CCs will be reduced by closing the CCs earlier, at 4pm, but that the lines will still open at 8am. Has any work been done to ascertain whether 9am to 5pm would better suit user needs than 8am to 4pm? Or whether opening later at 9am and closing at 4pm would still meet users' needs while at the same time reducing staff costs?
- 26.** Where the proposed opening hours of CCs will be mainly between 9am and 5pm, the majority of workers (both employed and self-employed) will be unable to speak to HMRC unless they are able to do so from work, which for reasons of privacy, they may not wish to. Reducing opening times for CCs which employees and the self-employed may need to call may disadvantage workers who were previously able to call before or after work, at say 8am or after 7pm.
- 27.** For similar reasons we consider HMRC should consider keeping tax credits CCs open for at least some hours on Sundays which is the only day many people are able to take time to deal with paperwork.
- 28.** We believe that certain CCs which deal with matters which are relevant to individuals, such as self assessment, debt management, online services help, orderline and tax credits should remain open on Sundays, perhaps with reduced staff numbers. This would allow those who find it difficult to call at any other times to make contact. Being able to contact HMRC on Sundays may alleviate unnecessary worry for individuals who have received an alarming communication from HMRC and who might otherwise have had to wait to call during the week.

29. Members have requested that even if CCs are not open on Sundays generally, those for self assessment should be open for some hours on Sundays during the peak period before the filing deadlines, in January and in October. Many practitioners work very long hours at these times including weekends and would benefit from being able to speak with HMRC on specific client matters at weekends at busy times.
30. We do not believe that the proposed reduced opening hours will present a major issue to larger businesses provided that HMRC has the capacity to answer the calls during normal business hours.
31. In Appendix I, HMRC states that 'Where customer demand dictates, opening hours can be extended very quickly.' This would be very much welcomed. However, in practice the extended opening hours will only be of use to callers if they are widely publicised. We have in the past been aware that the opening hours of, for example, the online services helpdesk have been extended but HMRC gave no publicity to this which was very unhelpful to callers who might have been able to resolve their query that day had they been made aware of the extended hours.

Communication of changes

32. We are pleased to note in paragraph 1.6 of the EIA that HMRC recognises that it needs to 'devise and implement a communications strategy to ensure that changes to opening hours do not cause undue confusion and inconvenience.' It further states that it 'will ensure that opening hours are clearly stated on any IVR (automated telephone messages) out of hours messages, and that where possible our revised opening hours will be made visible to our customers (e.g. via the Internet).'
33. HMRC will need to work very hard to ensure that potential callers know when the relevant CCs will be open. This is particularly important where opening hours vary at different times of the year or from year to year, as is proposed for the Christmas and New Year period. Simply putting information on its website is not sufficient because this is only helpful to those who have access to the internet and make the time to look at HMRC's website. It is just as important that correspondence and guidance also has this information on it and that recorded announcements provide it.
34. Many callers will need to call HMRC very infrequently. They may well assume that HMRC will be operating only during normal working hours, or perhaps a caller knows that their call is answered quickly in the evening and will try then. Unless CC opening hours are widely publicised both may waste time unnecessarily.
35. Our members frequently complain that details of addresses, telephone numbers and opening hours appearing on correspondence and on the HMRC website are not up-to-date or accurate. There does seem to have been some improvement as far as the website is concerned. However, further work is needed to ensure that correspondence bears both the correct telephone numbers and the correct opening times. It is only relatively recently that opening hours of CCs have been more widely publicised and our members report that it is still not always easy to find out the opening hours of the various CCs.
36. Telephone directories are used by many people to find details of CCs and entries in these may need updating. However, if each telephone line has a recorded message when the line is closed or it is busy which states opening dates and times, this should help reduce the number of wasted calls.
37. It is not at all clear to us what HMRC means by its statement in Appendix I that [HMRC] will enhance [its] range of Online Services to support this change. We should welcome clarification of what is envisaged and how this will lead to improved service for HMRC's telephone customers.

38. We very much welcome the commitment (in Appendix I) that HMRC will 'aim to ensure that our customer base is advised of all agreed changes, before they are implemented. Where possible all references to our opening hours will be amended prior to implementation of changes. Where forms cannot be amended before the event they will be changed as soon as possible afterwards.'
39. This will of course require a very great commitment from HMRC to ensure that opening hours of the telephone lines are kept up-to-date on both the website and correspondence. A considerable amount of correspondence is still issued without any indication of when the lines will be open and as a result most callers are likely to expect 9am to 5pm, ie 'standard business' opening hours. This in itself may have led to the lack of demand at other times.

Better use of IVR technology

40. One major frustration reported by members is how much time they waste listening to long, and to them often irrelevant, messages and then being cut off without speaking to anyone.
41. We therefore welcome the proposals to let callers know early in a call if there will be long delays, rather than (as now) after the caller has listened to other messages. It is, however, important that announcements that they should call back later because lines are busy should also include the opening times for future contact, and perhaps times to avoid.
42. We also consider that it makes good sense to close the CCs when the underlying technology which HMRC needs to access is not available. It is frustrating and a waste of time and money to queue to speak to someone only to be told that they cannot be helped.

Costs of contacting HMRC

43. In addition to the difficulty experienced trying to contact HMRC by telephone, another frequent criticism from members is the cost of calls to 0845 numbers. These are generally not included as free calls in call packages and as a result make contacting HMRC more expensive than calling geographic numbers. Individuals who have to call HMRC from mobiles generally suffer even higher call charges than those calling from landlines. This may mean that those on low incomes are particularly disadvantaged and may not be able to afford to call when they need to.
44. HMRC says that online services are available for its customers to use outside CC opening hours. However, it can be hard to find relevant information on the HMRC website, and the website is of no use where the call relates to something which is specific to the taxpayer who will therefore need to speak to an HMRC adviser, for example a change of address or advising of changes in income for tax credits. Further, significant numbers of individuals do not have any access to the internet and therefore telephone contact may be their preferred contact route with HMRC.
45. We believe that HMRC should, in the light of Your Charter, make a geographic number available for each 0845 number so that callers are able to keep their costs as low as possible. Of course, improving the number of calls that are answered and the speed at which calls are answered will also lead toward a reduction in caller waiting times and hence callers' costs.
46. Most of our members do have access to the internet as well as telephone. Many would prefer to be able to contact HMRC by email rather than needing to make telephone calls because this is quicker and cheaper. While accepting that there are security issues to be addressed, email is cost-effective and is the preferred communication route for many people and businesses these days.

47. If there is demand for HMRC to provide this option to users of its services, this needs to be considered in more detail. It could provide a better and more cost-effective way of dealing with certain issues for those who like to use that communication method and by doing so free up more resources to allow a better telephone service for those who would like to use that channel.

Assessment of impact of changes

48. We note from Appendix I that HMRC 'will actively assess the actual impacts of this change to ensure that they are quickly identified and managed. Also that expected service improvements are achieved. This post implementation assessment will include obtaining direct feedback from customers.'
49. We welcome this statement but are concerned that, as we noted in TAXREP 28/10 *Reshaping HMRC's enquiry centre service*, if HMRC bases its assessment only on those who manage to speak to someone at HMRC and makes no attempt to identify those who were unable to speak to a member of HMRC staff because the call was not answered owing to lack of capacity or CC opening hours were inconvenient, any conclusions will not reflect the true position.
50. Demand for most HMRC CCs will show seasonal fluctuations. It therefore follows that any assessment made of the effect of changes should be over a minimum of a full tax year. If this is not done, the effects of the changes cannot be properly assessed.

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The Tax Faculty's ten tenets for a better tax system

The tax system should be:

1. **Statutory:** tax legislation should be enacted by statute and subject to proper democratic scrutiny by Parliament.
2. **Certain:** in virtually all circumstances the application of the tax rules should be certain. It should not normally be necessary for anyone to resort to the courts in order to resolve how the rules operate in relation to his or her tax affairs.
3. **Simple:** the tax rules should aim to be simple, understandable and clear in their objectives.
4. **Easy to collect and to calculate:** a person's tax liability should be easy to calculate and straightforward and cheap to collect.
5. **Properly targeted:** when anti-avoidance legislation is passed, due regard should be had to maintaining the simplicity and certainty of the tax system by targeting it to close specific loopholes.
6. **Constant:** Changes to the underlying rules should be kept to a minimum. There should be a justifiable economic and/or social basis for any change to the tax rules and this justification should be made public and the underlying policy made clear.
7. **Subject to proper consultation:** other than in exceptional circumstances, the Government should allow adequate time for both the drafting of tax legislation and full consultation on it.
8. **Regularly reviewed:** the tax rules should be subject to a regular public review to determine their continuing relevance and whether their original justification has been realised. If a tax rule is no longer relevant, then it should be repealed.
9. **Fair and reasonable:** the revenue authorities have a duty to exercise their powers reasonably. There should be a right of appeal to an independent tribunal against all their decisions.
10. **Competitive:** tax rules and rates should be framed so as to encourage investment, capital and trade in and with the UK.

These are explained in more detail in our discussion document published in October 1999 as TAXGUIDE 4/99; see http://www.icaew.co.uk/taxfac/index.cfm?AUB=TB2I_43160,MNXI_43160